## STATE COLFERNION COLLISSION RECEIVED

OCT 25 2021

 $Case No. \underline{PUR-2021-00058}$ 

Sponsor: ("COMMISSION STAFF")

Exhibit No. 40

Witness: STIPULATED

Bailiff: JABARIT. ROBINSON

# Testimony Summary of Patrick W. Carr

1	My testimony makes the following recommendations for the Commission's consideration:
2	<ul> <li>A \$308.8 million customer credit reinvestment offset ("CCRO") pursuant</li></ul>
3	to Code of Virginia ("Code") § 56-585.1 A 8 and Staff's earnings test
4	results;
5	<ul> <li>A \$312.4 million customer refund pursuant to Code § 56-585.1 A 8 and</li></ul>
6	Staff's earnings test results;
7	<ul> <li>A \$50 million going-forward rate reduction pursuant to Code</li></ul>
8	§ 56-585.1 A 8 and Staff's rate year analysis;
9	<ul> <li>A 25-year amortization period for generation unit impairment costs</li></ul>
10	pursuant to Code § 56-585.1 E; and
11	<ul> <li>The Company be required to segregate CCRO-related assets and liabilities</li></ul>
12	in subaccounts in its general ledger.
13	My testimony also addresses the following:
14	• Staff's environmental justice inquiries in this proceeding.

# PREFILED STAFF TESTIMONY OF PATRICK W. CARR

#### VIRGINIA ELECTRIC AND POWER COMPANY

### CASE NO. PUR-2021-00058 SEPTEMBER 17, 2021

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# PREFILED STAFF TESTIMONY OF PATRICK W. CARR

### VIRGINIA ELECTRIC AND POWER COMPANY

### CASE NO. PUR-2021-00058 SEPTEMBER 17, 2021

1	Q.	PLEASE STATE YOUR NAME AND THE POSITION YOU HOLD WITH
2		THE STATE CORPORATION COMMISSION ("COMMISSION").
3	A.	My name is Patrick W. Carr, and I am a Deputy Director with the Commission's
4		Division of Utility Accounting and Finance.
5	Q.	PLEASE STATE THE PURPOSE OF YOUR TESTIMONY AND
6		SUMMARIZE YOUR RECOMMENDATIONS.
7	A.	My testimony addresses certain aspects of Virginia Electric and Power Company
8		d/b/a Dominion Energy Virginia's ("Company" or "DEV") triennial review
9		application. Specifically, I recommend:
10		1) A \$308.8 million customer credit reinvestment offset ("CCRO") pursuant
11		to Code § 56-585.1 A 8 ("Section A 8") and Staff's earnings test results;1
12		2) A \$312.4 million customer refund pursuant to Section A 8 and Staff's
13		earnings test results;
14		3) A \$50 million going-forward rate reduction pursuant to Section A 8 and
15		Staff's rate year ("Rate Year") analysis; <sup>2</sup>

<sup>&</sup>lt;sup>1</sup> The earnings test for this proceeding is the four-year period 2017 through 2020.

<sup>&</sup>lt;sup>2</sup> The Rate Year for this proceeding begins January 1, 2022, and ends December 31, 2022.

1		4) A 25-year amortization period for generation unit impairment costs
2		pursuant to Code § 56-585.1 E; and
3		5) The Company be required to segregate CCRO-related assets and liabilities
4		in subaccounts in its general ledger.
5		l also address Staff's environmental justice inquiries in this proceeding. <sup>3</sup>
6	Q.	PLEASE PROVIDE A BRIEF SUMMARY OF THE COMPANY'S
7		APPLICATION AS IT RELATES TO YOUR TESTIMONY.
8	A.	The Company asserts it earned a 9.61% rate of return on common equity ("ROE")
9		during the triennial review test years 2017 through 2020 ("Triennial Period") after
10		taking into account customer arrearage forgiveness. This is within the statutory
11		earnings range discussed further below. It therefore asserts there are no excess
12		revenues with which to offset CCROs and/or provide customer refunds.
13		The Code prohibits a going-forward rate increase in this triennial review. <sup>4</sup>
14		A rate decrease of up to \$50 million is permitted under certain circumstances, but
15		not if the Company, as it asserts, had Triennial Period earnings within the statutory
16		earnings range. Thus, the Company's application requests no net revenue change

going forward.

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<sup>&</sup>lt;sup>3</sup> In addition, Appendix A to my testimony provides information relevant to public comments received on July 22, 2021 in this proceeding. Appendix B provides information regarding Staff's audit of DEV's use of Coronavirus Relief Funds to forgive certain customer arrearage balances.

<sup>&</sup>lt;sup>4</sup> The Company nevertheless asserts that its fully-adjusted Rate Year ROE is 9.08%, which is below its requested fair combined ROE of 10.80%.

1	Q.	PLEASE IDENTIFY THE OTHER STAFF WITNESSES IN THIS CASE.
2	A.	In addition to my testimony, Staff presents the pre-filed testimony of the following
3		witnesses:
4		Daniel M. Long discusses the results of Staff's Triennial Period earnings
5		test analysis and certain accounting adjustments including those related to
6		environmental expenses, storm expenses, and grid transformation benefits and
7		expenses.
8		Samuel C. Mattox discusses the results of Staff's Rate Year analysis and
9		certain accounting adjustments including those related to revenue, plant and
10		depreciation, uncollectible expense, and demolition and decommissioning
11		expenses.
12		Richard D. Weatherford discusses certain accounting adjustments related to
13		cash working capital and income taxes.
14		Anna L. Clayton discusses certain accounting adjustments related to
15		employee compensation expense, intercompany charges, and other power and
16		delivery operations and maintenance expense.
17		Donna T. Pippert discusses Staff's recommended ROE and selects the
18		statutory peer group floor from Staff witness Gereaux's analysis.
19		Phillip M. Gereaux discusses Staff's recommended capital structure, cost of
20		debt, and the results of Staff's statutory peer group analysis.
21		Brian S. Pratt discusses certain aspects of the Company's non-residential
22		rate design and other tariff revisions, the proposed policy and related charges for
23		customers who opt-out of Advanced Metering Infrastructure ("AMI") meter

installation, and a revenue adjustment related to Demand Side Management ("DSM") and Energy Efficiency ("EE") programs. Mr. Pratt also presents Staff's rate and typical bill comparisons between the Company and its statutorily-defined peer group.

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Glenn A. Watkins discusses cost allocations, the assignment of Staff's recommended \$50 million revenue reduction across jurisdictional classes, and residential rate design.

Neil Joshipura discusses DEV's operational performance, the use of AMI meters nationwide, and DEV's AMI meter deployment.

Ruben S. Blevins discusses the Company's proposed changes to its terms and conditions of service, including changes to miscellaneous charges. Mr. Blevins also discusses the Company's proposal to withdrawal certain rate schedules as well as the Company's proposed updates to Rider EDR and Rider D.

## Staff's Earnings Test Results and Resulting Recommendations

# PLEASE DISCUSS THE ROLE OF THE EARNINGS TEST IN TRIENNIAL REVIEW PROCEEDINGS.

Triennial review proceedings require the examination of earned returns for the combined triennial review period. Earnings tests are utilized for this purpose. An earnings test employs test year jurisdictional earnings, a test year average rate base, an end-of-period capital structure, and limited regulatory accounting adjustments. Earnings tests are not used to set rates, but rather to examine the Company's actual results, on a regulatory accounting basis, during an historical period. The present triennial review for DEV combines individual earnings tests for each of the test

years 2017 through 2020 to evaluate the Company's actual results, on a regulatory accounting basis, for the Triennial Period.

In Case No. PUR-2019-00050, the Commission approved a combined ROE of 9.20% to be used in DEV's triennial review. Section A 8 provides for a 140-basis point range around that approved ROE (*i.e.*, 70 basis points above and 70 basis points below) for DEV's triennial review proceedings. Section A 8 also identifies certain costs, including asset impairments due to early retirement determinations of certain facilities, severe weather expenses, and expenses related to coal combustion by-product management, among others, as period expenses and, to the extent they reduce the Company's Triennial Period earnings below the bottom of the 140-basis point range, are deferred and recovered over a future period determined by the Commission.

ROE, Code § 56-585.1 A 8 b directs the Commission to order that 70% of earnings above the top of the range be credited to customers' bills. The Company may offset any overearnings with specific investments in solar, wind, or electric distribution grid transformation projects as identified in Code § 56-585.1 A 8 d (*i.e.*, a CCRO). If the results of the earnings test, after CCROs are applied, indicates a refund is directed, then the Commission may also order a base rate decrease up to a maximum

<sup>&</sup>lt;sup>5</sup> Application of Virginia Electric and Power Company, For the determination of the fair rate of return on common equity pursuant to § 56-585.1:1 C of the Code of Virginia, Case No. PUR-2019-00050, 2019 S.C.C. Ann. Rept. 400, Final Order (Nov. 21, 2019) ("2019 ROE Order").

<sup>&</sup>lt;sup>6</sup> However, Code § 56-585.1 E, discussed further below, provides the Commission with discretion over the amortization period for costs due to the early retirement of any electric generation facilities.

1	of \$50 million, so long as the resulting rates provide the Company with the
2	opportunity to fully recover its cost of providing service and a fair rate of return.

# Q. PLEASE EXPLAIN STAFF'S RECOMMENDATIONS RESULTING FROM ITS EARNINGS TEST RESULTS AND APPLICABLE CODE PROVISIONS.

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As discussed further by Staff witness Long, Staff's analysis indicates the Company earned a 13.61% ROE during the 2017 through 2020 earnings test period. This is 441 basis points of earnings, or \$1.143 billion of revenues, above the applicable fair combined ROE of 9.2%. As compared to the 9.9% top of the statutory range, there are \$961.5 million in excess revenues. After 2020 customer arrearage forgiveness of \$206.3 million, \$755.2 million remains available for CCRO and/or customer refunds.

The Company had \$308.8 million of CCRO-eligible investment as of December 31, 2020,<sup>8</sup> the end of the earnings test period. Since this amount is less than the \$755.2 million of available revenues, Staff recommends that all of this investment be designated as CCRO.<sup>9</sup> CCRO investment is considered to have been

<sup>&</sup>lt;sup>7</sup> As mentioned previously, the Commission established a fair combined ROE of 9.2% in its 2019 ROE Order. Section A 8 provides for a 140-basis point range around that approved ROE for DEV's triennial review proceedings.

<sup>&</sup>lt;sup>8</sup> Appendix C contains an itemized list of CCRO investment by type and amount. This includes \$53.2 million of AMI investment made during the Triennial Period. Staff is not opposed to the CCRO eligibility of AMI investment. Staff witness Joshipura discusses Staff's position regarding the Company's rollout of AMIs.

<sup>&</sup>lt;sup>9</sup> The Company requests that "[s]hould the Commission determine that there are ... available revenues for earnings sharing, then the Company contingently elects and requests to offset those revenues with additional approved investment levels in the [Coastal Virginia Offshore Wind ("CVOW")] project up to the total amount, and then, if necessary, in the approved electric distribution grid transformation projects, collectively

paid for by customers during the earnings test period and thus cannot be included in any future rate recovery.<sup>10</sup> After applying \$308.8 million of excess revenue to CCRO, \$446.3 million remains available for customer refunds.<sup>11</sup>

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Staff next recommends the Commission direct customer refunds of \$312.4 million (i.e., 70% of the remaining available revenues of \$446.3 million) as provided for by Section A 8.

The foregoing recommendations are summarized below:

	Amount (in millions)
Excess Revenues Above 9.9% ROE	\$961.5
Less: Arrearage Forgiveness	\$206.3
Available for CCRO and/or Refund	\$755.2
Less: CCRO	\$308.8
Remaining	\$446.3
Less: Refunds (70% of Remaining)	\$312.4
Retained by DEV (30% of Remaining)	\$133.9

up to the total [CCRO-eligible] investment level ..., or the total amount of the customers' share of available revenues, whichever is less." See Direct Testimony of John C. Ingram at 15-16.

<sup>&</sup>lt;sup>10</sup> Staff recommends the Company be required to segregate CCRO-related assets and liabilities in subaccounts in its general ledger. This will facilitate Staff's audit of these investment in future proceedings and ensure they are not included in any future rate recovery.

<sup>&</sup>lt;sup>11</sup> On advice of counsel, the Code provides for CCROs to offset available revenues in an amount equal to 100% of such revenues. The Company appears to take the legal position that only 70% of such revenues needs to be offset by CCRO. See Direct Testimony of John C. Ingram at 18. The Company's position results in less CCRO and, thus, a greater amount of investment for customers to pay for through future rates. It also results in a greater amount of excess revenues being retained by DEV and its shareholders in this proceeding.

## Staff's Rate Year Results and Resulting Recommendations

- Q. PLEASE EXPLAIN STAFF'S RECOMMENDATIONS RESULTING FROM
   ITS RATE YEAR ANALYSIS AND APPLICABLE CODE PROVISIONS.
- As discussed further by Staff witness Mattox, Staff's analysis indicates a Rate Year

  ROE of 11.65%. This is 295 basis points, or \$212.4 million on a revenue
- 5 requirement basis, above the fair combined ROE of 8.7% recommended by Staff

6 witness Pippert.

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Since \$212.4 million exceeds the statutory maximum of a \$50 million rate reduction, <sup>12</sup> Staff recommends a \$50 million rate reduction.

These Rate Year results and recommendations are summarized below:

	Amount (in millions)
Rate Year Revenue Sufficiency	\$212.4
Rate Reduction	\$50.0
Remaining Revenue Sufficiency	\$162.4

# **Amortization Period for Generation Unit Impairments**

10 Q. PLEASE PROVIDE A BRIEF OVERVIEW OF THE COMPANY'S

11 GENERATION UNIT IMPAIRMENTS RECORDED DURING 2019 AND

12 2020.<sup>13</sup>

<sup>&</sup>lt;sup>12</sup> Code § 56-585.1 A 8 c.

<sup>&</sup>lt;sup>13</sup> No generation unit impairments were recorded in 2017 or 2018.

A. In March 2019, DEV announced the planned early retirement of eleven generating units at six generating stations. <sup>14</sup> The net book value of these units, including Construction Work in Progress ("CWIP") and inventory, as of the impairment date was \$343.8 million on a total Company basis. The Company recorded a Virginia-jurisdictional impairment charge of \$207.9 million, net of tax, as a result.

In March 2020, DEV decided to retire early Chesterfield Units 5 and 6 and Yorktown Unit 3 by May 2023.<sup>15</sup> The net book value of these units, including CWIP and inventory, as of the impairment date was \$781.6 million on a total Company Basis. The Company recorded a Virginia-jurisdictional impairment charge of \$478.8 million, net of tax, as a result.

In total, the Company recorded Virginia-jurisdictional generation unit impairment charges of \$686.7 million during the Triennial Period. The Company identified these impairment charges as period expenses subject to the provisions of Section A 8.

## Q. PLEASE DISCUSS THE PROVISIONS OF CODE § 56-585.1 E.

### A. Code § 56-585.1 E states as follows:

E. Notwithstanding any other provision of law, the Commission shall determine the amortization period for recovery of any appropriate costs due to the early retirement of any electric generation facilities owned or operated by any Phase I Utility or Phase II Utility. In making such determination, the Commission shall (i) perform an independent analysis of the remaining undepreciated capital costs; (ii) establish a recovery period that best serves

<sup>&</sup>lt;sup>14</sup> Prior to the early retirement decision, these units had planned retirement dates ranging from 2022 to 2049, per the Company's most recent depreciation study.

<sup>&</sup>lt;sup>15</sup> Prior to the early retirement decision, these units had planned retirement dates of 2034, 2039, and 2044, per the Company's most recent depreciation study.

ratepayers;	and (iii)	allow	for the	recovery	of any	carrying
costs that th	he Comn	nission	deems	appropriat	te.	

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The impairments recorded by the Company and discussed above are "costs due to the early retirement of ... electric generation facilities owned or operated by ... [a] Phase II Utility." Staff has performed an independent analysis of the remaining undepreciated capital costs as required by Code § 56-585.1 E. Staff's analysis verified the amounts of these capital costs as presented in the Company's triennial review application.

Staff recommends the Commission allow recovery of carrying, or financing, costs on unrecovered impairment cost deferrals. To the extent these costs are not recovered until a future point in time but have been incurred in the past, the Company will continue to incur financing costs on this investment equal to its overall weighted cost of capital.

- 14 Q. WHAT IS STAFF'S RECOMMENDED RECOVERY, OR
  15 AMORTIZATION, PERIOD FOR GENERATION UNIT IMPAIRMENTS
  16 IN THIS PROCEEDING PURSUANT TO CODE § 56-585.1 E?
- 17 A. Staff recommends an amortization period of 25 years.
- 18 Q. PLEASE EXPLAIN WHY STAFF RECOMMENDS 25 YEARS.
- As noted above, Code § 56-585.1 E specifically directs the Commission to
  "establish a recovery period that best serves ratepayers." Twenty-five years best
  serves ratepayers, or customers, because it results in significant, immediate, and
  known benefits to customers. This includes the full utilization of CCRO-eligible
  investment as CCROs, refunds, and the maximum-permissible rate reduction of \$50

i million. Without full utilization of CCROs, there can be no refund. Without a refund, there can be no rate reduction. 16 These benefits are illustrated below: 2

	Customer Benefit (in millions)
CCRO	\$308.8
Refund	\$312.4
Cumulative Rate Reduction (2021-2023)	\$150.017

#### PLEASE EXPLAIN THE COMPANY'S PROPOSAL REGARDING THESE 3 Q. 4 GENERATION UNIT IMPAIRMENT COSTS.

The Company proposes to treat these costs as fully expensed during the 2017 A. through 2020 triennial review period. It asserts that period cost treatment is in the 7 best interest of customers and states "[t]he alternative of spreading the costs out into the future requires the customers to bear the expense of recovering those costs, along with any associated prudently incurred financing costs, in those future 10 periods, even though there were prior revenues provided by them sufficient to recover the costs."18

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<sup>&</sup>lt;sup>16</sup> Code § 56-585.1 A 8 c.

<sup>&</sup>lt;sup>17</sup> This is equal to \$50 million per year for the three years during which rates set in this proceeding will be in effect until they may be changed in DEV's next triennial review proceeding. If the earnings test results in the next triennial review proceeding prevent going-forward rates from being changed, this customer benefit will continue.

<sup>&</sup>lt;sup>18</sup> See Direct Testimony of John C. Ingram at 12-13.

1	Q.	PLEASE EXPLAIN WHY STAFF'S PROPOSAL BEST SERVES
2		CUSTOMERS, AS REQUIRED BY CODE § 56-585.1 E, AND THE
3		COMPANY'S DOES NOT.
4	A.	This triennial review can have a number of potential outcomes that directly affect
5		customers. These include benefits such as CCROs, refunds, and a rate reduction.
6		Maximizing these benefits best serves customers.
7		Staff considered several factors in the course of determining the
8		amortization period that best serves customers. 19 These include:
9 10 11		<ul> <li>The amortization period should reduce expense in the current triennial period by an amount sufficient to provide for refunds and, thus, trigger the opportunity to reduce going-forward rates.</li> </ul>
12 13 14		<ul> <li>Post-2020 amortization expense should not increase Rate Year expense by an amount such that the Commission cannot find the maximum \$50 million rate decrease reasonable.</li> </ul>
15 16 17		<ul> <li>The amortization period should not push so much expense into future triennial review proceedings that future outcomes are significantly impacted in a manner detrimental to customers.<sup>20</sup></li> </ul>
18 19 20		<ul> <li>All current considerations should be balanced against future carrying costs (discussed further below) and other uncertainties such as economic or legislative changes.</li> </ul>
21		The following table illustrates the customer impacts of a 25-year
22		amortization period compared to immediate expensing (in millions): <sup>21</sup>

<sup>&</sup>lt;sup>19</sup> In addition to best serving customers, a 25-year amortization of 2020 impairments would conclude in 2045, which coincides with the Virginia Clean Economy Act's directive for DEV to reach 100% renewable energy by 2045. Code § 56-585.5 C.

<sup>&</sup>lt;sup>20</sup> For example, significantly shorter amortization periods would, all else being equal, negatively impact earnings in DEV's next triennial review. This, in turn, could negatively impact the potential for a rate reduction in that proceeding (which is not limited to \$50 million).

<sup>&</sup>lt;sup>21</sup> Both scenarios are presented based on Staff's earnings test adjustments for comparability.

	25-Year Amortization	Immediate Expensing	Net Benefit of 25-Year Amortization
CCRO	\$308.8	\$0	\$308.8
Refund	\$312.4	\$0	\$312.4
Rate Reduction	\$150	\$0	\$150

A.

Staff believes the immediate, tangible benefits of CCROs, refunds, and a rate reduction are in the best interest of customers. These outweigh carrying costs on future rate base recovery, as discussed further below. The Company's proposed immediate expensing, in contrast, deprives customers of the certain benefits discussed above in exchange for minimizing carrying costs, a trade-off that does not best serve customers. Immediately expensing results in no excess revenue with which to provide CCROs or refunds. Without refunds, a going-forward rate reduction is prohibited.

# Q. DOES IMMEDIATE EXPENSING MINIMIZE CARRYING COSTS, AS DISCUSSED BY THE COMPANY?

Yes, it is always true that paying a cost sooner, rather than later, will minimize carrying costs. However, such carrying costs are just one of many considerations when determining the amortization period that best serves customers. The immediate and certain benefits discussed above are critical benefits to consider as well. In addition, a 25-year amortization approximately matches the recovery period to both (i) the VCEA's directive that DEV achieve 100% renewable energy by 2045 and (ii) the average remaining life of the impaired units had they not been

- 1 retired early (and thus the time over which customers would have paid for the units).
- 2 Taken as a whole, Staff believes a 25-year amortization best serves customers for
- 3 the foregoing reasons and benefits.

# 4 Q. PLEASE EXPLAIN STAFF'S ACCOUNTING ADJUSTMENTS TO 5 REFLECT ITS AMORTIZATION RECOMMENDATION.

6 A. Staff has made earnings test adjustments to eliminate the test year impairment
7 charges and instead include 2019 and 2020 amortization expense resulting from its
8 recommended amortization period. Likewise, Staff has adjusted rate base to
9 include the unamortized portions of the impairment costs (net of associated
10 accumulated deferred income taxes). These adjustments I sponsor are summarized
11 below:<sup>22 23</sup>

Earnings Test Adjustments	2019 Amount (in millions)	2020 Amount (in millions)	Total Amount (in millions)
ET-15 Eliminate Test Year Impairment Charges from O&M	-\$29,685	-\$10,957	-\$40,642
ET-19 Eliminate Test Year Impairment Charges from Depreciation Expense	-\$248,275	-\$633,242	-\$881,517
ET-20 Include Test Year Amortization Expense of Asset Impairments	\$8,340	\$30,639	\$38,979
ET-47 Include Test Year Unamortized Asset Impairments	\$210,647	\$756,786	\$967,433

Workpapers supporting Staff's adjustments are included in Appendix E. Staff's adjustments begin amortization for the 2019 impairments on April 1, 2019 and the 2020 impairments on April 1, 2020.

<sup>&</sup>lt;sup>23</sup> Staff witness Weatherford sponsors the related earnings test adjustments to Accumulated Deferred Income Taxes ("ADIT").

Staff similarly made Rate Year adjustments to include a Rate Year level of amortization expense and rate base associated with Staff's amortization recommendation. These adjustments I sponsor are summarized below:<sup>24</sup>

Rate Year Adjustments	Rate Year Amount (in millions)
RM-26 Eliminate Test Year Impairment Charges from O&M	-\$10,917
RM-33 Eliminate Test Year Impairment Charges from Depreciation Expense	-\$630,935
RM-34 Include Rate Year Amortization Expense of Asset Impairments	\$36,946
RM-46 Include Rate Year Unamortized Asset Impairments	\$829,244

#### **Environmental Justice**

- Q. PLEASE DISCUSS STAFF'S INQUIRY REGARDING ENVIRONMENTAL
   JUSTICE ISSUES IN THIS PROCEEDING.<sup>25</sup>
- 6 A. The General Assembly recently addressed environmental justice issues by, among
  7 other things, passing House Bill 704 and Senate Bill 406 during its 2020 session.<sup>26</sup>
  8 In recognition of the importance of environmental justice and these General

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<sup>&</sup>lt;sup>24</sup> Staff witness Weatherford sponsors the related Rate Year adjustment to ADIT.

<sup>&</sup>lt;sup>25</sup> For purposes of this testimony, Staff uses the definition of environmental justice found in Code § 2.2-234, "the fair treatment and meaningful involvement of every person, regardless of race, color, national origin, income, faith, or disability, regarding the development, implementation, or enforcement of any environmental law, regulation, or policy." "Environment" is further defined in that section as "the natural, cultural, social, economic, and political assets or components of a community."

<sup>&</sup>lt;sup>26</sup> 2020 Va. Acts Ch. 1212 and 1257.

Assembly actions, Staff propounded several interrogatories to the Company regarding environmental justice considerations contained in its application and business processes.<sup>27</sup>

The Company asserts that it has adopted an environmental justice policy that, among other things, (i) emphasizes listening to and learning from the communities it serves, (ii) recognizes that environmental justice considerations must be part of the Company's everyday decisions, (iii) commits to advancing purposeful inclusion to ensure a diversity of views in its public engagement processes, and (iv) pledges to be a positive catalyst in its communities. Staff will continue to monitor the Company's implementation of its environmental justice policy in future proceedings.

## **Conclusions and Recommendations**

- 12 Q. PLEASE SUMMARIZE THE CONCLUSIONS AND
  13 RECOMMENDATIONS INCLUDED IN YOUR TESTIMONY.
- 14 A. My testimony includes the following recommendations:

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- A \$308.8 million CCRO pursuant to Section A 8 and Staff's earnings test results;
- 2) A \$312.4 million customer refund pursuant to Section A 8 and Staff's earnings test results;
- 3) A \$50 million going-forward rate reduction pursuant to Section A 8 and Staff's Rate Year analysis;

<sup>&</sup>lt;sup>27</sup> See Company's responses to Staff Interrogatory Nos. 35-605 through 610, attached in Appendix D. This includes the full text of the Company's environmental justice policy and related information.

1		4) A 25-year amortization period for generation unit impairment costs
2		pursuant to Code § 56-585.1 E; and
3		5) The Company be required to segregate CCRO-related assets and liabilities
4		in subaccounts in its general ledger.
5	Q.	DOES THIS CONCLUDE YOUR TESTIMONY?
6	A.	Yes, it does.

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Public comments in this proceeding were received on July 22, 2021, from 18 members of the Virginia General Assembly. Staff provides certain additional analyses as described below. If Code § 56-585.1 A 8 did not require certain costs to be recognized as period expenses.<sup>28</sup> those costs could be amortized over a period of time for regulatory accounting purposes. For example, in this proceeding, certain automated meter reading ("AMR") equipment impairments, severe weather costs, and coal combustion residual ("CCR") costs could be amortized over a period such as five years rather than recognized as period expenses during the Triennial Period. If amortized in that way, the Company's Triennial Period earnings, based on Staff's analysis, would be a 13.89% ROE and would result in \$1.219 billion of excess revenue above the applicable fair combined ROE of 9.2%. The Code provides for the treatment of excess revenue, including (i) offset of CCROs, if applicable, and (ii) customer refunds of 70% of remaining excess revenues. If, instead, the Code provided for refunds of 100% of revenues in excess of a 9.9% ROE, less customer arrearage forgiveness, a customer refund of \$830.9 million would result.<sup>29</sup> Staff notes that, as described by Staff witness Pippert, Staff's recommended 8.7%

ROE was not impacted by the Code's statutory peer group floor requirements, as it was above the 8.67% floor. Thus, the statutory floor did not impact Staff's going-forward revenue sufficiency calculation of \$212.4 million.

<sup>&</sup>lt;sup>28</sup> These include "costs associated with asset impairments related to ... automated meter reading electric distribution service meters; costs associated with projects necessary to comply with state or federal environmental laws, regulations, or judicial or administrative orders relating to coal combustion by-product management that the utility does not petition to recover through a rate adjustment clause pursuant to subdivision 5 e; costs associated with severe weather events; and costs associated with natural disasters." See Code § 56-585.1 A 8.

<sup>&</sup>lt;sup>29</sup> This is equal to \$1.037 billion of revenue in excess of a 9.9% ROE less \$206.3 million of customer arrearage forgiveness.

#### APPENDIX B

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#### **Coronavirus Relief Funds**

In December 2020, as part of the federal CARES Act and resulting 2020 Virginia House Bill ("HB") 5005, DEV received \$589,585 in Coronavirus Relief Funds ("CRF") from the Commission to distribute to customers in arrears who had been impacted by COVID-19.30 As part of this Triennial Review, Staff has performed the following procedures regarding the distribution of those funds. Staff obtained an understanding of how the Company communicated the program to customers and received customer attestations of their eligibility. Staff sampled those attestations and noted no material issues. In addition, Staff obtained an understanding of the calculation of arrears forgiveness as applied first to October 31, 2020 balances and then to April 30, 2021 balances, and noted no material issues. As of this testimony's filing date, Staff is continuing to request, receive, and audit documentation supporting the Company's application of CRF to customer accounts, and may provide supplemental testimony on this matter if necessary.

<sup>&</sup>lt;sup>30</sup> Staff notes that the amount received by DEV through this pass-through of CARES funds was relatively small because HB 5005, and then HB 1800, directed the Company to forgive all jurisdictional customer balances more than 30 days in arrears as of September 30, 2020 and December 31, 2020, respectively. The sum of those two forgiveness amounts is approximately \$206 million. Staff has offset that portion of excess Triennial Period revenues prior to computing CCROs and refunds.

2

## APPENDIX C

### **Customer Credit Reinvestments**

The following table summarizes the Company's eligible CCRO investments:

<u>Project</u>	Amount (\$000)
Coastal Virginia Offshore Wind Project	\$223,471
AMI	\$53,180
Customer Information Platform	\$32,182
Total	\$308,333

2

# APPENDIX D

## **Interrogatory Responses**

The following response to Question No. 605 of the Thirty-Fifth Set of Interrogatories and Requests for Production of Documents propounded by the Virginia State Corporation Commission Staff received on August 23, 2021 has been prepared under my supervision.

Molly Parker Director – Environmental Services Dominion Energy Services, Inc.

#### Question No. 605

Please provide a copy of DEV's corporate policies regarding environmental justice.

#### Response:

The Company's environmental justice policy is:

At Dominion Energy, we are committed to providing reliable, affordable, clean energy in accordance with our values of safety, ethics, excellence, embrace change, and teamwork. This includes listening to and learning all we can from the communities we are privileged to serve. Our values also recognize that environmental justice considerations must be part of our everyday decisions, community outreach, and evaluations as we move forward with projects to modernize the generation and delivery of energy.

To that end, communities should have a meaningful voice in our planning and development process, regardless of race, color, national origin, or income. Our neighbors should have early and continuing opportunities to work with us. We pledge to undertake collaborative efforts to work to resolve issues. We will advance purposeful inclusion to ensure a diversity of views in our public engagement processes.

Dominion Energy will be guided in meeting environmental justice expectations of fair treatment and sincere involvement by being inclusive, understanding, dedicated to finding solutions, and effectively communicating with our customers and our neighbors. We pledge to be a positive catalyst in our communities.

The following response to Question No. 606 of the Thirty-Fifth Set of Interrogatories and Requests for Production of Documents propounded by the Virginia State Corporation Commission Staff received on August 23, 2021 has been prepared under my supervision.

Molly Parker Director – Environmental Services Dominion Energy Services, Inc.

David J. DePippo Senior Counsel Dominion Energy Services, Inc.

#### Question No. 606

How does the Company's application, including the rates and other proposals contained therein, address environmental justice (as defined in Code § 2.2-234)?

#### Response:

Under the Virginia Environmental Justice Act ("VEJA"), environmental justice is defined as the fair treatment and meaningful involvement of every person—regardless of race, color, national origin, income, faith, or disability—regarding "the development, implementation, or enforcement of any environmental law, regulation, or policy." "Fair treatment" focuses on the negative and adverse environmental impacts of a project, and is defined to mean "the equitable consideration of all people whereby no group of people bears a disproportionate share of any negative environmental consequence resulting from operations, programs, or policies." Similarly, "meaningful involvement" under the VEJA means "the requirements that (i) affected and vulnerable community residents have access and opportunities to participate in the full cycle of the decision-making process about a proposed activity that will affect their environment or health and (ii) decision makers will seek out and consider such participation, allowing the views and perspectives of community residents to shape and influence the decision." The VEJA defines "environment" broadly to mean "the natural, cultural, social, economic, and political assets or components of a community."

The Company's application before the Commission was brought under Va. Code § 56-585.1 A, and the Commission Rate Case Rules (20 VAC 5-204-10 et seq.)—that is, for the Company's statutorily required triennial review of its rates. Consistent with Va. Code § 56-585.1 A, this proceeding is focused on a (i) review of the Company's cost of service and earnings during the four successive twelve-month periods ending December 31, 2020, including whether there are any past earnings available for reinvestment for the benefit of customers or temporary bill credits, (ii) a determination of whether the Company's base rates should remain stable for the upcoming triennial period or change, taking into account the earnings test results, the Company's level of investment in qualifying renewable generation and grid transformation

projects, and the statutory prohibition on a rate increase in this case under Va. Code § 56-585.1 A 8, and the present functional alignment of these rates, and (iii) a determination of the Company's prospective fair rate of return on common equity taking into consideration the Company's levels of performance and in accordance with the requirements of Va. Code § 56-585.1 A 2. Application at 1-2. In short, neither the statutes and Commission rules applicable to this proceeding, and their application, nor the Commission's decisions herein can be classified as an "the development, implementation, or enforcement of any environmental law, regulation, or policy." Thus, the focus and goals of the VEJA are not implicated in this case.

Even assuming VEJA concerns might be implicated, an analysis of the application of the statute yields the same conclusion. When conducting an environmental justice review, one evaluates: the type of activity (e.g., a project or program at issue); where it will occur; what type of environmental impacts are likely; if any impacts, are they negative or adverse; and, whether there are environmental justice communities that might suffer the negative or adverse environmental impacts of the proposed activity. The VEJA defines environmental justice communities as identifiable, discrete communities within a specific geographic area. For example, the definition of "community of color" focuses on "any geographically distinct area," and the definition of "low-income community" focuses on "any census block group."

The review and modification of the Company's rates through the triennial proceeding does not have any impact to the environment of any community. That is because it does not occur in the environment; instead, it results in a modification in a charge on bills for a service provided. Without an environmental impact, the review under the VEJA would be at an end. The Company engages in appropriate Environmental Justice reviews with relevant activities, such as the Company's recent Rural Broadband Pilot filing. Even assuming the review and modification of the Company's rates could be considered to have an environmental impact, here, the proposed rate design is revenue neutral

The following response to Question No. 607 of the Thirty-Fifth Set of Interrogatories and Requests for Production of Documents propounded by the Virginia State Corporation Commission Staff received on August 23, 2021 has been prepared under my supervision.

Molly Parker Director - Environmental Services Dominion Energy Services, Inc.

#### Question No. 607

Explain how the Company's capital project authorization processes consider the impacts of its projects on environmental justice.

#### **Response:**

See the Company's responses to Staff Set 35-608 through 610.

The following response to Question No. 608 of the Thirty-Fifth Set of Interrogatories and Requests for Production of Documents propounded by the Virginia State Corporation Commission Staff received on August 23, 2021 has been prepared under my supervision.

Molly Parker
Director - Environmental Services
Dominion Energy Services, Inc.

#### Question No. 608

When siting and planning infrastructure work and projects, how does the Company consider the environmental justice ramifications of its decisions?

#### Response:

As discussed in the Company's response to Staff Set 35-606, and as the Company has discussed in its infrastructure siting projects cases before the Commission (e.g., a transmission line case), the Company applies the relevant definitions in the VEJA, and utilizes, among other things, U.S. Environmental Protection Agency guidance and currently accepted best practices, to analyze potential environmental justice issues. Among other things, the Company determines the potential impacts from the types of project at issue, sets conservative potential impact areas, utilizes EPA's EJSCREEN tool to review demographic information of census blocks near potential impact areas as well as field gathered information, in order to identify whether any environmental justice communities are present. Depending on the outcome of that review, and the location of those communities in light of the potential impacts of the project, as well as, among other things, local geography and topography, the Company can make an initial conclusion regarding whether environmental justice issues may be present. These reviews and conclusions inform our project planning and outreach plans. This includes enhanced outreach efforts targeted to solicit meaningful involvement from communities that might otherwise be unaware of or unable to participate in the planning process.

The following response to Question No. 609 of the Thirty-Fifth Set of Interrogatories and Requests for Production of Documents propounded by the Virginia State Corporation Commission Staff received on August 23, 2021 has been prepared under my supervision.

Molly Parker Director - Environmental Services Dominion Energy Services, Inc.

#### Question No. 609

Explain how the Company ensures that low-income communities, fenceline communities, and/or communities of color (all as defined in Code § 2.2-234) ("environmental justice communities") have an opportunity to provide input in the Company's business and construction processes that affect them.

#### Response:

As discussed in the Company's response to Staff Set 35-608, there may be circumstances when the mere identification of the presence an environmental justice community near a project may not yield concerns under the VEJA (i.e., a geographically distinct environmental justice community bearing a disproportionate share of negative environmental consequences of a project). In any event, for its projects or programs that have the potential to have negative environmental consequences for any community (e.g., transmission line projects), the Company conducts outreach activities for all of the communities that might be affected thereby. For transmission line projects, for example, the Company documents those activities in the appendices it files with its applications for certification. As the Commission is aware, these activities include, among other things, direct mailings, open houses, and digital and newspaper advertising, as well as Commission required notices. The Company also meets with local leaders and elected officials about its projects, which also often yields additional information to bolster these activities. These activities ensure that all communities, including communities that might meet the definition of environmental justice communities, have an opportunity to provide input. If an environmental justice community has been identified that might be impacted by negative environmental consequences, as discussed in the Company's response to Staff Set 35-608, the Company can conduct additional, enhanced outreach to ensure these communities have an opportunity to provide input. These types of activities can include additional, community specific open houses or small group meetings, the translation of project communications into other languages, hanging door flyers, and conducting additional direct communications.

The following response to Question No. 610 of the Thirty-Fifth Set of Interrogatories and Requests for Production of Documents propounded by the Virginia State Corporation Commission Staff received on August 23, 2021 has been prepared under my supervision.

Molly Parker Director - Environmental Services Dominion Energy Services, Inc.

#### **Question No. 610**

Does the Company maintain a database or other information identifying environmental justice communities in its service territory?

#### Response:

The Company does not maintain a unique internal database or other repository of data, including data related to the communities noted in the question. In our environmental justice evaluation and review process, we use publicly and commercially available databases to conduct projectspecific demographic reviews. For example, among other things, we rely on the U.S. Environmental Protection Agency's EJSCREEN mapping tool, and a commercial demographics product called ESRI Demographics.

# APPENDIX E

# Workpapers

Exhibit No: Witness: Carr Statement I

#### DOMINION ENERGY VIRGINIA

#### 2021 Triennial Review

### Schedule of Temporary Bill Credits and Customer Credit Reinvestment Offsets (CCRO) Pursuant to Va. Code § 56-585.1 A 8 (Thousands of Dollars)

( i nousanus	UI	Dollars	

Line					
No.	Description	Description Notes		Amount	
1	Earned return on equity (ROE) for the combined test periods	[Note 1]		13.61%	
2	Authorized ROE plus 70 basis point band	• •		9.90%	
3	Earnings available for sharing (%)	[Note 2]		3.71%	
4	Common equity rate base for the combined test periods	[Note 3]	\$	19,274,929	
5	Earnings available for sharing (\$)	[Line 3 x Line 4]	\$	716,051	
6	Income tax gross-up factor	[Note 4]		1.34	
7	Revenue available for sharing	[Line 5 x Line 6]	\$	961,515	
8	Less:				
9	Forgiveness of customer accounts in arrears as of 9/30/2020	[Note 5]		(130,423)	
10	Forgiveness of customer accounts in arrears as of 12/31/2020	[Note 6]		(75,911)	
11	Revenue available for sharing	[Line 7 + Line 9 + Line 10]	\$	755,181	
12	Less: CCRO projects		\$	308,833	
13	Revenue Available for Refunds	Line 11 - Line 12	\$	446,348	
14	70% customer sharing factor				
15	Revenue available for temporary bill credits	Line 13 x 70%	\$	312,444	

<sup>[</sup>Note 1]: Staff Witness Long Statement I, Line 33 [Note 2]: Line 1 - Line 2.

<sup>[</sup>Note 2]: Line 1- Line 2 [Note 3]: Staff Witness Long Statement I, Line 31 [Note 4]: 1 / (1 - 2020 income tax rate) [Note 5]: Customer arrears forgiven and applied against earnings pursuant to HB 5005 [Note 6]: Customer arrears forgiven and applied against earnings pursuant to HB 1800

# Dominion Energy Virginia Case No. PUR-2021-00058 For the Test Year Ended December 31, 2019 Staff Adjustment No. ET-15

# To Remove 2019 Asset Impairments Subject to § 56-585.1 E From O&M Expense (In Thousands)

Line No.	Description	Ref	Amount	Juris. Factor	Juris. Amount
	00115		04.050	20.000/	07.000
7	O&M Expense Write-Off	(a)	34,256	80.86%	27,698
2	O&M Expense Write-Off (Factor 3)	(a)	2,520	78.82%	1,987
3	To Reverse Write-Off				(29,685)
(a)	From Supplemental Schedule 48a.				

# Dominion Energy Virginia Case No. PUR-2021-00058 For the Test Year Ended December 31, 2020 Staff Adjustment No. ET-15

# To Remove 2020 Asset Impairments Subject to § 56-585.1 E From O&M Expense (In Thousands)

Line No.	Description	Ref	Amount	Juris. Factor	Juris. Amount
1	O&M Expense Write-Off	(a)	13,321	82.26% _	10,957
2	To Reverse Write-Off				(10,957)
[a]	From Supplemental Schedule 48	8 <b>a</b> .			

### **Dominion Energy Virginia** Case No. PUR-2021-00058

# For the Test Year Ended December 31, 2019

### Staff Adjustment No. ET-19

# To Remove 2019 Asset Impairments Subject to § 56-585.1 E From Depreciation Expense

(In Thousands)

Line No.	Description	Ref	Amount	Juris. Factor	Juris. Amount
1	Depreciation Expense Write-Off	(a)	307,055	80.86% _	248,275
2	To Reverse Write-Off				(248,275)
(a)	From Supplemental Schedule 48a.				

#### **Dominion Energy Virginia** Case No. PUR-2021-00058 For the Test Year Ended December 31, 2020

#### Staff Adjustment No. ET-19

#### To Remove 2020 Asset Impairments Subject to § 56-585.1 E From Depreciation Expense

(In Thousands)

Line No.	Description	Ref	Amount	Juris. Factor	Juris. Amount
1	Depreciation Expense Write-Off	(a)	769,841	82.26% _	633,242
2	To Reverse Write-Off				(633,242)
[a]	From Supplemental Schedule 48a.				

#### For the Test Year Ended December 31, 2019 Staff Adjustment No. ET-20

### To Reflect Amortization of 2019 Asset Impairments Subject to § 56-585.1 E

#### (In Thousands)

Line No.	Description	Ref	Amount
1	To Amortize 2019 Asset Impairments over a 25 Year Life.	(a)	10.315
2	Jurisdictional Factor 1	(u)	80.86%
3	Juris. Amortization Expense		8,340
(a)	Based on a 25-year amortization period. See Workpaper A.	Adj. I	ET-47

# Dominion Energy Virginia Case No. PUR-2021-00058 For the Test Year Ended December 31, 2020 Staff Adjustment No. ET-20

## To Reflect Amortization of Asset Impairments Subject to § 56-585.1 E (In Thousands)

Line No.	Description	Ref	Amount
1 2	To Amortize Asset Impairments over a 25 Year Life.  Jurisdictional Factor 1	(a)	37,248 82.26%
3	Juris. Amortization Expense		30,639
(a)	Based on a 25-year amortization period. Se Workpaper A.	ee Adj.	ET-47

# Dominion Energy Virginia Case No. PUR-2021-00058 For the Test Year Ended December 31, 2019 Staff Adjustment No. ET-47

# To Include the Unamortized Balance of 2019 Asset Impairments Subject to § 56-585.1 E In Rate Base (In Thousands)

Line No.	Description	Ref	Amount
1 2	Total Company Unamortized Balance of 2019 Impairments Jurisdictional Factor 1	(a)	260,518 80.86%
3	Juris. Balance to Include in Rate Base		210,647
(a)	Thirteen month average of unamortized balances beginning M	larch 31	ŕ
(a)	Based on a 25-year amortization period. See Adj. ET-47 Wor		

# Dominion Energy Virginia Case No. PUR-2021-00058 For the Test Year Ended December 31, 2020 Staff Adjustment No. ET-47

# To Include the Unamortized Balance of Asset Impairments Subject to § 56-585.1 E In Rate Base (In Thousands)

Line No.	Description	Ref	Amount
1 2	Total Company Unamortized Balance of 2019 and 2020 Asset Impairments Jurisdictional Factor 1	(a)	920,035 82.26%
3	Juris. Balance to Include in Rate Base		756,786
(a)	Based on a 25-year amortization period.	See Adj.	ET-47 Workpaper A.

#### For the Test Year Ended December 31, 2019 Staff Adjustment No. ET-47 - Workpaper A

## Calculation of the Unamortized Balance of Asset Impairments Subject to § 56-585.1 E In Rate Base (In Thousands)

#### Amortization

		Amortization	
Date	Begin Balance	Expense	End Balance
Mar-19	-	-	343,831,065
Apr-19	343,831,065	1,146,104	342,684,961
May-19	342,684,961	1,146,104	341,538,857
Jun-19	341,538,857	1,146,104	340,392,754
Jul-19	340,392,754	1,146,104	339,246,650
Aug-19	339,246,650	1,146,104	338,100,547
Sep-19	338,100,547	1,146,104	336,954,443
Oct-19	336,954,443	1,146,104	335,808,340
Nov-19	335,808,340	1,146,104	334,662,236
Dec-19	334,662,236	1,146,104	333,516,133
Jan-20	333,516,133	1,146,104	332,370,029
Feb-20	332,370,029	1,146,104	331,223,925
Mar-20	331,223,925	1,146,104	1,113,239,614
Apr-20	1,113,239,614	3,756,643	1,109,482,972
May-20	1,109,482,972	3,756,643	1,105,726,329
Jun-20	1,105,726,329	3,756,643	1,101,969,686
Jul-20	1,101,969,686	3,756,643	1,098,213,043
Aug-20	1,098,213,043	3,756,643	1,094,456,400
Sep-20	1,094,456,400	3,756,643	1,090,699,757
Oct-20	1,090,699,757	3,756,643	1,086,943,114
Nov-20	1,086,943,114	3,756,643	1,083,186,472
Dec-20	1,083,186,472	3,756,643	1,079,429,829
Jan-21	1,079,429,829	3,756,643	1,075,673,186
Feb-21	1,075,673,186	3,756,643	1,071,916,543
Mar-21	1,071,916,543	3,756,643	1,068,159,900
Apr-21	1,068,159,900	3,756,643	1,064,403,257
May-21	1,064,403,257	3,756,643	1,060,646,614
Jun-21	1,060,646,614	3,756,643	1,056,889,972
Jul-21	1,056,889,972	3,756,643	1,053,133,329
Aug-21	1,053,133,329	3,756,643	1,049,376,686
Sep-21	1,049,376,686	3,756,643	1,045,620,043
Oct-21	1,045,620,043	3,756,643	1,041,863,400
Nov-21	1,041,863,400	3,756,643	1,038,106,757
Dec-21	1,038,106,757	3,756,643	1,034,350,114
		• •	· · · · ·

#### For the Test Year Ended December 31, 2019 Staff Adjustment No. ET-47 - Workpaper A

## Calculation of the Unamortized Balance of Asset Impairments Subject to § 56-585.1 E In Rate Base (In Thousands)

#### Amortization

Date	Begin Balance	Expense	End Balance
Jan-22	1,034,350,114	3,756,643	1,030,593,472
Feb-22	1,030,593,472	3,756,643	1,026,836,829
Mar-22	1,026,836,829	3,756,643	1,023,080,186
Apr-22	1,023,080,186	3,756,643	1,019,323,543
May-22	1,019,323,543	3,756,643	1,015,566,900
Jun-22	1,015,566,900	3,756,643	1,011,810,257
Jul-22	1,011,810,257	3,756,643	1,008,053,614
Aug-22	1,008,053,614	3,756,643	1,004,296,972
Sep-22	1,004,296,972	3,756,643	1,000,540,329
Oct-22	1,000,540,329	3,756,643	996,783,686
Nov-22	996,783,686	3,756,643	993,027,043
Dec-22	993,027,043	3,756,643	989,270,400

#### Staff Adjustment No. RM-26

# To Remove 2020 Asset Impairments Subject to § 56-585.1 E From O&M Expense (In Thousands)

_	Line No.	Description	Ref	Amount	Juris. Factor	Juris. Amount
	1	O&M Expense Write-Off	(a)	13,321	81.96% _	10,917
	2	To Reverse Write-Off				(10,917)
	(a)	From Supplemental Schedule	48a.			

#### Staff Adjustment No. RM-33

# To Remove 2020 Asset Impairments Subject to § 56-585.1 E From Depreciation Expense (In Thousands)

Line No.	Description	Ref	Amount	Juris. Factor	Juris. Amount
1	Depreciation Expense Write-Off	(a)	769,841	81.96% _	630,935
2	To Reverse Write-Off				(630,935)
(a)	From Supplemental Schedule 48a.				

#### Staff Adjustment No. RM-34

## To Reflect Amortization of Asset Impairments Subject to § 56-585.1 E (In Thousands)

Line No.	Description	Ref	Amount
	To Amortize Asset Impairments over a 25		
1	Year Life.	(a)	45,080
2	Jurisdictional Factor 1		81.96%
3	Juris. Amortization Expense		36,946
(a)	Based on a 25-year amortization period. So Workpaper A.	ee Adj.	ET-47

#### Staff Adjustment No. RM-46

# To Include the Unamortized Balance of Asset Impairments Subject to § 56-585.1 E In Rate Base (In Thousands)

Line No.	Description	Ref	Amount
1	Total Company Unamortized Balance of 2019 and 2020 Asset Impairments	(a)	1,011,810
2	Jurisdictional Factor 1	` '	81.96%
3	Juris. Balance to Include in Rate Base		829,244
(a)	Thirteen month average of Rate Year unamortize on a 25-year amortization period. See Adj. ET-4		

Appendix E Page 16

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Exhibit No: \_\_\_\_ Witness: Carr

(a)

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APPENDIX A CALCULATIONS

#### Dominion Energy Virginia PUR-2021-00058

## Schedule of Temporary Bill Credits and Customer Credit Reinvestment Offsets (CCRO) Pursuant to Va. Code § 56-585.1 A 8 (Thousands of Dollars)

Line			
No.	Description	Notes	 Amount
1	Earned return on equity (ROE) for the combined test periods	[Note 1]	13.89%
2	Authorized ROE plus 70 basis point band		9.90%
3	Earnings available for sharing (%)	[Note 2]	3.99%
4	Common equity rate base for the combined test periods	[Note 3]	\$ 19,375,294
5	Earnings available for sharing (\$)	[Line 3 x Line 4]	\$ 772,428
6	Income tax gross-up factor	[Note 4]	1.34
7	Revenue available for sharing	[Line 5 x Line 6]	\$ 1,037,218
8	Less:		
9	Forgivenesss of customer accounts in arrears as of 9/30/2020	[Note 5]	(130,423)
10	Forgivenesss of customer accounts in arrears as of 12/31/2020	[Note 6]	(75,911)
11	Revenue available for sharing	[Line 7 + Line 9 + Line 10]	\$ 830,884

[Note 1]: APPENDIX A CALCULATIONS, COMBINED 2017-2020 EARNINGS TEST RESULTS, Line 33

[Note 2]: Line 1 - Line 2.

[Note 3]: APPENDIX A CALCULATIONS, COMBINED 2017-2020 EARNINGS TEST RESULTS, Line 31

[Note 4]: 1 / (1 - 2020 income tax rate)

[Note 5]: Customer arrears forgiven and applied against earnings pursuant to HB 5005 [Note 6]: Customer arrears forgiven and applied against earnings pursuant to HB 1800

DOMINION ENERGY VIRGINIA

RATE OF RETURN STATEMENT - EARNINGS TEST
COMBINED 2017-2020 EARNINGS TEST RESULTS - GENERATION AND DISTRIBUTION
FOR THE TRIENNIAL PERIOD ENDED 12/31/2020
USING THIRTEEN MONTH AVERGE RATE BASE AND COMMON EQUITY
(IN THOUSANDS)

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2 222 2

3 33 38

	(Col.1) 2017 Virginia Juris. Cost of Service After Adjustments Col. 3 of Sen. 11 - 2017	(Col.2) 2018 Virginia Juria. Cost of Service After Adjustments Col. 3 of Sch. 11 - 2018	(Col.3) 2019 Virginia Juris. Cost of Servico After Adjustments Col. 3 of Sch. 11 - 2019	(Cot.4) 2020 Virginia Juris. Cost of Service After Adjustments Cot. 3 of Sch. 11 - 2020	(Co.1.5) Combined Virginia Juris. Cost of Service After Adjustments Col. (1)+(2)+(3)+(4)
OPERATING REVENUE BASE RATES AND 56-885.1 A4, A5, AND A6 FACS	3.138,459	3.055.655	3,099,394	2,602,123	12,192,631
FUEL FACTOR LATE PAYMENT FEES MISCELLANEOUS	1,412,669 17,542 79,441	1,755,193 19,403 79,898	1,760,012 19,675 59,854	1,261,933 4,073 98,685	6,189,806 60,692 317,878
TOTAL OPERATING REVENUES	4,648,110	4,910,149	4,935,934	4,266,814	18,781,007
OPERATING REVENUE DEDUCTIONS OPERATION & MAINTENIANCE EXPENSE DEPECATION & AMORITATION	2.494,557 674,039	3,061,314	2.917,466 821,289	2,319,679 650,267	10,783,017
FEDERAL INCOME TAXES STATE INCOME TAXES TAXES OTHER THAN INCOME TAXES	355,387 78,414 164 233	132,409 64,340 163,808	148,127 58,572 173,125	147,211 73,190 167,259	783,134 275,517 668,423
(GAIN)LOSS ON DISPOSITION OF PROPERTY	(4)	(350)	(516)	(1,719)	(2,590)
TOTAL OPERATING REVENUE DEDUCTIONS	3,767,626	4,028,158	4,118,064	3,355,887	15,269,733
OPERATING INCOME	880,484	881,993	17,871	910,927	3,491,274
PLUS: AFUDC LESS: CHARTABLE DONATIONS	313 0	(315)	00	0	(2)
INTEREST EXPENSE ON CUSTOMER DEPOSITS OTHER INTEREST EXPENSE(INCOME)	1,090	1,823	3,143	1,334	8,332
ADJUSTED OPERATING INCOME	101,878	878,966	813,584	907,316	3,479,572
PLUS: OTHER INCOME/(EXPENSE)	0 80	0 50	0 103.360	0 70	780.021
	0 1,355	1,298	2,721	3,595	0 8 8
INCOME AVAILABLE FOR COMMON EQUITY	682,264	682,077	617,503	708.738	2,690,582
Š	227,124 11,484,029	320,341 11,585,442	209,200	232,591 12,192,221	989,255 47,061,386
LESS: OTHER RATE BASE DEDUCTIONS	2,584,902	2,659,455	2,608,457	2,683,750	10,534,564
IOIAL AVERAGE RATE BASE	9,126,251	9,246,327	9,402,437	9,741,062	37,516,077
TOTAL AVERAGE CAPITAL	9,128,251	9,246,327	9,402,437	9,741,062	37,516,077
AVERAGE COMMON EQUITY CAPITAL	4,701,491	4,730,518	4,895,514	5,047,772	19,375,294
8 RATE OF RETURN EARNED ON AVG. RATE BASE 8 RATE OF RETURN EARNED ON AVG. COMMON EQ.	9.64% 14,51%	9.51% 14.42%	8.65% 12.61%	9.31% 14.04%	9,27% 13,89%

Exhibit No:
Witness: Carr
APPENDIX A CALCULATIONS

Appendix E Page 17

Appendix E Page 18

Exhibit No:
Witness: Carr
APPENDIX A CALCULATIONS

# DOMINION ENERGY VIRGINIA RATE OF RETURN STATEMENT - EARNINGS TEST COMBINED 2017-2020 EARNINGS TEST RESULTS - GENERATION TOT THE TRIENMIAL PERIOD ENDED 123412020 USING THIRTEEN MONTH AVERAGE RATE BASE AND COMMON EQUITY (IN THOUSANDS)

B

	(Col.1) 2017 Virginia Juris. Cost of Service After Adjustments Col. 3 of Sch. 11 - 2017	(Col.2) 2018 Virginia Juris. Cost of Service After Adjustments Col. 3 of Sch. 11 - 2018	(Col.3) 2019 Virginia Juris. Cost of Service After Adjustments Col. 3 of Sch. 11 - 2019	(Col.4) 2020 Virginia Juris. Cost of Service After Adjustments Col. 3 of Sch. 11 - 2020	(Col.5) Combined Virginia Juris. Cost of Service After Adjustments Col. (1)+(2)+(4)
OPERATING REVENUE BASE RATES AND 56-585.1 A4, A5, AND A8 RACS FUEL FACTOR LATE PAYMENT FEES MISCELLANEOUS	2,075,984 1,412,689 12,353 67,172	2,034,408 1,755,193 14,068 54,369	2,042,692 1,760,012 13,836 34,536	1,834,970 1,261,933 2,636 76,844	7,988,054 6,189,806 42,893 232,921
TOTAL OPERATING REVENUES	3,568,177	3,858,038	3,851,076	3,176,382	14,453,673
OPERATING REVENUE DEDUCTIONS OPERATION & MAINTENANCE EXPENSE DEPRECIATION & AMORTIZATION FEDERAL INCOME TAXES STATE INCOME TAXES TAXES OTHER THAN INCOME TAXES (GAINJLOSS ON DISPOSITION OF PROPERTY	2,196,141 353,906 255,589 59,459 91,413 (42)	2.681,327 271,282 127,803 46,205 66,409 (431)	2,644,787 31,261 141,835 42,781 92,133	1,986,920 266,740 126,677 64,011 86,105	9,509,174 1,203,189 1651,905 214,456 356,060 (2,385)
TOTAL OPERATING REVENUE DEDUCTIONS	2,956,466	3,214,595	3,231,940	2,529,398	11,932,398
OPERATING INCOME	611,711	643,444	619,136	646,985	2,521,275
PLUS: AFUDC LESS: CHARITABLE DONATIONS INTEREST EXPENSE ON CUSTOMER DEPOSITS OTHER INTEREST EXPENSE/(INCOME)	313 (0) 767 0	(315) 0 1,321	2,210 736	(0) 1,474 815	(2) 0 5,772 2,118
ADJUSTED OPERATING INCOME	611,256	641,242	616,189	644,696	2,513,383
PLUS: OTHER INCOME/(EXPENSE) LESS: INTEREST EXPENSE-BOOKED PREFERRED DIVIDENDS ITC CAPITAL EXPENSE	0 103,774 0 0 717	0 101,474 0 673	0 97,615 0 1,374	0 96,373 0 777,1	0 399,236 0 0,541
INCOME AVAILABLE FOR COMMON EQUITY	508,765	539,095	517,201	546,545	2,109,607
ALLOWANCE FOR WORKING CAPITAL PLUS: NET UTILITY PLANT LESS: OTHER RATE BASE DEDUCTIONS	250,630 5,831,934 1,252,743	381,649 5,715,855 1,300,453	263,987 5,711,625 1,228,945	262,659 5,839,182 1,287,169	1,158,926 23,098,597 5,069,311
<u>TOTAL AVERAGE RATE BASE</u>	4,829.821	4,797,051	4,746,668	4,814,672	19,188,212
TOTAL AVERAGE CAPITAL	4,829,821	4,797,051	4,748,668	4,814,672	19,188,212
AVERAGE COMMON EQUITY CAPITAL	2,488,137	2,454,221	2.471,421	2,494,941	9,908,719
% RATE OF RETURN EARNED ON AVG. RATE BASE % RATE OF RETURN EARNED ON AVG. COMMON EQ.	12.66% 20.37%	13.37% 21.97%	12.98% 20.93%	13.39% 21.91%	13.10% 21.29%

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# DOMINION ENERGY VIRGINIA RATE OF RETURN STATEMENT - EARNINGS TEST COMBINED 2017-2020 EARNINGS TEST RESULTS - DISTRIBUTION FOR THE TRIENIAL PERIOD ENDED 1233/2020 USING THIRTEEN MONTH AVERAGE RATE BASE AND COMMON EQUITY (IN THOUSANDS)

		(Col. 1) 2017 Virginia Juris. Cost of Service After Adjustments Col. 3 of Sch. 11 - 2017	(Col.2) 2018 Virginia Juria. Cost of Service Affer Adjustments Col. 3 of Sch. 11 - 2018	(Col.3) 2019 Virginta Juris. Cost of Service After Adjustments Col. 3 of Sch. 11 - 2019	(Col.4) 2020 Virginia Juris. Cost of Service After Adjustments Col. 3 of Sch. 11 - 2020	(Cot.5) Combined Virginia Juris. Cost of Service After Adjustments Cot. (1)+(2)+(3)+(4)
일						
- 2	OPERATING REVENUE BASE RATES AND 56-585.1 A4, A5, AND A6 RACS	1,062,475	1,021,247	1,053,702	1,067,153	4,204,577
დ 4	FUEL FACTOR LATE PAYMENT FEES	5.189	0 5.335	0 5.839	0 1.437	0 17,799
S.	MISCELLANEOUS	12,269	25,529	25,317	21,842	84,957
9	TOTAL OPERATING REVENUES	1,079,933	1,052,111	1,084,858	1,090,431	4,307,333
۲ ۵	OPERATING REVENUE DEDUCTIONS	217 000	900 070	222 620	75000	1 202 042
<b>0</b> 00 !	OPERATION & MAIN ENANCE EXPENSE DEPRECIATION & AMORTIZATION	320,133	335,355	510,028	383,527	1,549,043
₽ =	FEDERAL INCOME TAXES STATE INCOME TAXES	99,798 19,956	4,606 16,135	6,292 15,791	20,534 9,180	131,229 61,061
5 5	TAXES OTHER THAN INCOME TAXES (GAIN)LOSS ON DISPOSITION OF PROPERTY	72,820 3 <u>8</u>	77,397 81	80,993 340	81,154	312,364 (205)
14	TOTAL OPERATING REVENUE DEDUCTIONS	811,160	813,562	886,123	826,490	3,337,335
5	<u>OPERATING INCOME</u>	268,773	238,549	198,735	263,942	866'696
:		•	•	•	•	•
19 1	PLUS: AFUDC LESS: CHARITABLE DONATIONS	00	o ( <u>o</u>	00	00	00
<b>6</b> 6	INTEREST EXPENSE ON CUSTOMER DEPOSITS OTHER INTEREST EXPENSE((INCOME)	323	501	933	803 519	2,560 1,250
20	ADJUSTED OPERATING INCOME	268,450	237,724	197,395	262,620	966,189
7	PLUS: OTHER INCOME/(EXPENSE)	O	C	0	0	0
23	LESS: INTEREST EXPENSE-BOOKED	92,314	711,76	95,745	98,610	380,786
2 23	PREFERRED DIVIDENDS ITC CAPITAL EXPENSE	638	625	1,347	1.818	4,428
52	INCOME AVAILABLE FOR COMMON EQUITY	175,498	142,982	100,302	162,192	580,975
56	-	(23,506)	(61,308)	(54,788)	(30.069)	(169,670)
23	PLUS: NET UTILITY PLANT LESS: OTHER RATE BASE DEDUCTIONS	5,652,095	5,869,587 1,359,002	6,088,068	6,353,039 1,396,581	23,962,789 5,465,254
8	<u>TOTAL AVERAGE RATE BASE</u>	4,296,430	4,449,276	4,655,769	4,926,389	18,327,865
8	TOTAL AVERAGE CAPITAL	4,296,430	4,449,276	4,655,769	4,926,389	18,327,865
31	AVERAGE COMMON EQUITY CAPITAL	2,213,355	2,276,296	2,424,093	2,552,832	9,466,575
33 33	% RATE OF RETURN EARNED ON AVG, RATE BASE % RATE OF RETURN EARNED ON AVG, COMMON EQ.	6.25% 7.93%	5.34% 6.28%	4.24%	5.33% 6.35%	5.27% 6.14%

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Exhibit No: \_\_\_\_

APPENDIX A CALCULATIONS

#### **DOMINION ENERGY VIRGINIA**

#### RATE OF RETURN STATEMENT - EARNINGS TEST ADJUSTED TO A REGULATORY ACCOUNTING BASIS - GENERATION AND DISTRIBUTION FOR THE TEST YEAR ENDED DECEMBER 31, 2019 USING THIRTEEN MONTH AVERAGE RATE BASE AND COMMON EQUITY (IN THOUSANDS)

(1)

(2)

(3)

LINE		Per Books Virginia Juris. Cost of Service	Regulatory Accounting Adjustments	Virginia Jurisdictional Cost of Service after Adjustments (1)+(2)
1	OPERATING REVENUE			
2	BASE RATES AND 56-585.1 A4, A5, AND A6 RACS	3,128,308	(31,913)	3,096,394
3	FUEL FACTOR	1,760,012	0	1,760,012
4	LATE PAYMENT FEES	17,396	2,279	19,675
5	MISCELLANEOUS	59,931	(78)	59,854
6	TOTAL OPERATING REVENUES	4,965,646	(29,712)	4,935,934
7	OPERATING REVENUE DEDUCTIONS			
8	OPERATION & MAINTENANCE EXPENSE	3,080,770	(163,304)	2,917,466
9	DEPRECIATION & AMORTIZATION	1,035,426	(214,137)	821,289
10	FEDERAL INCOME TAXES	70,646	` 77,480	148,127
11	STATE INCOME TAXES	36,437	22,135	58,572
12	TAXES OTHER THAN INCOME TAXES	173,125	. 0	173,125
13	(GAIN)/LOSS ON DISPOSITION OF PROPERTY	(541)	26	(516)
14	TOTAL OPERATING REVENUE DEDUCTIONS	4,395,863	(277,799)	4,118,064
15	OPERATING INCOME	569,783	248,087	817,871
16 17 18 19	PLUS: AFUDC LESS: CHARITABLE DONATIONS INTEREST EXPENSE ON CUSTOMER DEPOSITS OTHER INTEREST EXPENSE/(INCOME)	0 7,991 2,779 1,144	0 (7,991) 364 0	0 0 3,143 1,144
20	ADJUSTED OPERATING INCOME	557,870	255,714	813,584
21 22 23 24	PLUS: OTHER INCOME/(EXPENSE) LESS: INTEREST EXPENSE-BOOKED PREFERRED DIVIDENDS ITC CAPITAL EXPENSE	0 169,188 0 n/a	0 24,172 0 2,721	0 193,360 0 2,721
25	INCOME AVAILABLE FOR COMMON EQUITY	388,682	228,821	617,503
26 27 28	ALLOWANCE FOR WORKING CAPITAL PLUS: NET UTILITY PLANT LESS: OTHER RATE BASE DEDUCTIONS	(626,164) 11,332,860 2,479,655	835,364 466,834 126,801	209,200 11,799,694 2,606,457
29	TOTAL AVERAGE RATE BASE	8,227,040	1,175,397	9,402,437
30	TOTAL AVERAGE CAPITAL	8,227,040	1,175,397	9,402,437
31	AVERAGE COMMON EQUITY CAPITAL	4,283,527	611,987	4,895,514
	% RATE OF RETURN EARNED ON AVG. RATE BASE % RATE OF RETURN EARNED ON AVG. COMMON EQ.	6.78% 9.07%		8.65% 12.61%

# DOMINION ENERGY VIRGINIA RATE OF RETURN STATEMENT - EARNINGS TEST ADJUSTED TO A REGULATORY ACCOUNTING BASIS - GENERATION FOR THE TEST YEAR ENDED DECEMBER 31, 2019 USING THIRTEEN MONTH AVERAGE RATE BASE AND COMMON EQUITY (IN THOUSANDS)

(1) (2) (3)

LINE <u>NO.</u>		Per Books Virginia Juris. Cost of Service	Regulatory Accounting Adjustments	Virginia Jurisdictional Cost of Service after Adjustments (1)+(2)
1 2	OPERATING REVENUE BASE RATES AND 56-585.1 A4, A5, AND A6 RACS	2,067,488	(24,796)	2.042.692
3	FUEL FACTOR	1,760,012	(24,730)	1,760,012
4	LATE PAYMENT FEES	13,836	Ö	13,836
5	MISCELLANEOUS	34,614	(78)	34,536
6	TOTAL OPERATING REVENUES	3,875,950	(24,874)	3,851,076
7	OPERATING REVENUE DEDUCTIONS			
8	OPERATION & MAINTENANCE EXPENSE	2,660,631	(15,844)	2,644,787
9	DEPRECIATION & AMORTIZATION	554,811	(243,550)	311,261
10	FEDERAL INCOME TAXES	88,949	52,886	141,835
11 12	STATE INCOME TAXES TAXES OTHER THAN INCOME TAXES	27,784 92,133	14,998 0	42,781 92,133
13	(GAIN)/LOSS ON DISPOSITION OF PROPERTY	(872)	16	(856)
14	TOTAL OPERATING REVENUE DEDUCTIONS	3,423,435	(191,494)	3,231,940
15	OPERATING INCOME	452,515	166,621	619,136
16 17 18 19	PLUS: AFUDC LESS: CHARITABLE DONATIONS INTEREST EXPENSE ON CUSTOMER DEPOSITS OTHER INTEREST EXPENSE/(INCOME)	0 7,095 2,210 736	0 (7,095) 0 0	0 0 2,210 736
20	ADJUSTED OPERATING INCOME	442,473	173,716	616,189
21 22 23	PLUS: OTHER INCOME/(EXPENSE) LESS: INTEREST EXPENSE-BOOKED PREFERRED DIVIDENDS	0 74,530 0	0 23,084 0	97,615 0
24	ITC CAPITAL EXPENSE	n/a	1,374	1,374
25	INCOME AVAILABLE FOR COMMON EQUITY	367,943	149,258	517,201
26 27 28	ALLOWANCE FOR WORKING CAPITAL PLUS: NET UTILITY PLANT LESS: OTHER RATE BASE DEDUCTIONS	(602,548) 5,376,108 1,149,402	866,535 335,517 79,543	263,987 5,711,625 1,228,945
29	TOTAL AVERAGE RATE BASE	3,624,158	1,122,509	4,746,668
30	TOTAL AVERAGE CAPITAL	3,624,158	1,122,509	4,746,668
31	AVERAGE COMMON EQUITY CAPITAL	1,886,970	584,451	2,471,421
-	% RATE OF RETURN EARNED ON AVG. RATE BASE % RATE OF RETURN EARNED ON AVG. COMMON EQ.	12.21% 19.50%		12.98% 20.93%

# DOMINION ENERGY VIRGINIA RATE OF RETURN STATEMENT - EARNINGS TEST ADJUSTED TO A REGULATORY ACCOUNTING BASIS - DISTRIBUTION FOR THE TEST YEAR ENDED DECEMBER 31, 2019 USING THIRTEEN MONTH AVERAGE RATE BASE AND COMMON EQUITY (IN THOUSANDS)

(1) (2) (3)

LINE NO.		Per Books Virginia Juris. Cost of Service	Regulatory Accounting Adjustments	Virginia Jurisdictional Cost of Service after Adjustments (1)+(2)
1	OPERATING REVENUE	4 000 040	(7.447)	4 050 700
2 3	BASE RATES AND 56-585.1 A4, A5, AND A6 RACS FUEL FACTOR	1,060,819 0	(7,117) 0	1,053,702 0
3 4	LATE PAYMENT FEES	3,560	2,279	5,839
5	MISCELLANEOUS	25,317	0	25,317
_		4.000.000	// 000	
6	TOTAL OPERATING REVENUES	1,089,696	(4,838)	1,084,858
7	OPERATING REVENUE DEDUCTIONS			
8	OPERATION & MAINTENANCE EXPENSE	420,139	(147,459)	272,680
9	DEPRECIATION & AMORTIZATION	480,615	29,413	510,028
10	FEDERAL INCOME TAXES	(18,303)	24,595	6,292
11	STATE INCOME TAXES	8,653	7,137	15,791
12	TAXES OTHER THAN INCOME TAXES	80,993	0	80,993
13	(GAIN)/LOSS ON DISPOSITION OF PROPERTY	331	10	340
14	TOTAL OPERATING REVENUE DEDUCTIONS	972,428	(86,305)	886,123
15	OPERATING INCOME	117,268	81,467	198,735
16 17 18 19	PLUS: AFUDC LESS: CHARITABLE DONATIONS INTEREST EXPENSE ON CUSTOMER DEPOSITS OTHER INTEREST EXPENSE/(INCOME)	0 895 569 408	0 (895) 364 0	0 0 933 408
20	ADJUSTED OPERATING INCOME	115,397	81,998	197,395
21	PLUS: OTHER INCOME/(EXPENSE)	0	0	0
22	LESS: INTEREST EXPENSE-BOOKED	94,658	1,088	95,745
23	PREFERRED DIVIDENDS	0	0	0
24	ITC CAPITAL EXPENSE	n/a	1,347	1,347
25	INCOME AVAILABLE FOR COMMON EQUITY	20,739	79,563	100,302
200	ALL CHANGE FOR MORKING CARITAL	(00.647)	/24 474	/E4 700\
26 27	ALLOWANCE FOR WORKING CAPITAL	(23,617) 5.956.752	(31,171)	(54,788)
27	PLUS: NET UTILITY PLANT LESS: OTHER RATE BASE DEDUCTIONS	5,956,752 1,330,253	131,316 47,258	6,088,068 1,377,511
20	LESS: OTHER RATE BASE DEDUCTIONS	1,330,253	47,230	1,3//311
29	TOTAL AVERAGE RATE BASE	4,602,882	52,887	4,655,769
30	TOTAL AVERAGE CAPITAL	4,602,882	52,887	4,655,769
31	AVERAGE COMMON EQUITY CAPITAL	2,396,557	27,537	2,424,093
20	DATE OF PETITON EARNED ON ANO PATE BACK	2 540		A 0.40/
32 33	% RATE OF RETURN EARNED ON AVG. RATE BASE % RATE OF RETURN EARNED ON AVG. COMMON EQ.	2.51% 0.87%		4.24% 4.14%

## DOMINION ENERGY VIRGINIA DETAIL OF REGULATORY ACCOUNTING ADJUSTMENTS - GENERATION AND DISTRIBUTION REFLECTED IN COLL. 2 OF SCHEDULE 11 FOR THE TEST YEAR ENDED DECEMBER 31, 2019 (IN THOUSANDS)

		(IN THOUSANDS)			
ADJ. NI STAFF	UMBER COMPANY	ADJUSTMENT	STAFF (	ion and Distribution COMPANY D	m IFFERENCE
		INCOME ADJUSTMENTS			
		OPERATING REVENUE ADJUSTMENTS			
ET-1	ÉT-1	Base Rates and 55-585.1 A4, A5, and A6 RACS Customer Refund Adjustment	(1,125)	(1,125)	
ET-1 SUPP		Revenue Correction	(30,789)	(30,789)	_
		Late Payment Fees			
ET-2	ET-2	Reallocation of Retail Customer Costs	2,279	2,279	•
ET-3	ET-3	<u>Miscollangous</u> Elimination of 25% of Off-System Sales Margins	(78)	(78)	-
ET-4	ET-4	Eliminate Rider Projects from Test Year Results	•	•	•
		TOTAL ADJUSTMENTS TO OPERATING REVENUE	(29,712)	(29,712)	•
		OPERATION AND MAINTENANCE EXPENSE ADJUSTMENTS			
ET-5	ET-5	Elimination of Non-Conforming Advertising Expenses	(916)	(905)	(11)
ET-6	ET-6	Eliminate the Effect of Fuel Expenses from the COS	27,038	27,038	•
ET-7	ET-7	Realiocation of Retail Customer Costs	2,269	2,269	•
ET-8	ET-8	Reclass Certain Non-Operating Expenses	(879)	(879)	•
ET-	ET-9	Amortize Organizational Design Inlitative Costs Against Savings	•	•	-
ET-10	ET-10	Eliminate Incentive Plan Expenses in Excess of Target	(5.533)	(5,533)	•
ET-11	ET-11	Oceana Solar Charge for Birdneck Circuit	(68)	(86)	-
ET-12	ET-12	Eliminate Customer Arrears Forgiveness Costs	•	•	•
ET-13	N/A	Elimination of VA Follower Nuclear Amortization Cost	658	•	658
ET-14	N/A	Elimination of Lobbying Costs	(1,105)	•	(1,105)
ET-15	N/A	To Remove 2019 Asset Impairments Subject to § 58-585.1 E From O&M Expense	(29,685)	•	(29,685)
ET-15.5	N/A	To Remove Section A 8 Period Expenses from the Cost of Service	(155,085)	•	(155,085)
		TOTAL ADJUSTMENTS TO OPERATION & MAINTENANCE EXPENSE	(163,304)	21,924	(185,228)
		DEPRECIATION AND AMORTIZATION EXPENSE ADJUSTMENTS			
ET-16	ET-13	Eliminate the Effects of Nuclear Related Asset Retirement Obligation (ARO)	(4,827)	(4,927)	•
ET-17	ET-14	Eliminate Capitalized AFUDC	(291)	(291)	•
ET-18	ET-15	Eliminate Customer Credit Reinvestment Offset Reserve	•	•	•
ET-19	N/A	To Remove 2019 Asset Impairments Subject to § 56-585.1 E From Depreciation Expense	(248,275)	-	(248,275)
ET-20	N/A	To Reflect Amortization of 2019 Asset Impairments Subject to § 56-585.1 E	8,340	•	8,340
ET-20,5	N/A	To Amortize Section A 8 Period Expenses Over Five Years	31,017	•	31,017
		TOTAL ADJUSTMENTS TO DEPRECIATION AND AMORTIZATION	(214,137)	(5,219)	(208,918)
		FEDERAL INCOME TAXES			
ET-21	ET-16	Reallocation of Retail Customer Costs	(22)	(22)	•
ET-22	ET-17	Eliminate the Effects of Nuclear Related Asset Retirement Obligation (ARO)	1,160	1,160	•
ET-23	ET-18	Federal Income Tax Expense Effect of ITC Debt Component	(159)	(270)	111
ET-24	ET-19	Eliminate the Effect of FIN 48	•	172	(172)
ET-25	ET-20	Adjust Texes for Domestic Production Activities Deduction	•	•	•
ET-26	ET-21	Interest Synchronization	8,727	9,703	(975)
ET-27	ET-22	Federal Income Tax Effect of Adjustments	67,774	(10,210)	77,984
		TOTAL ADJUSTMENTS TO FEDERAL INCOME TAXES	77,480	532	76,949
		STATE INCOME TAXES			
ET-28	ET-23	State Income Tax Expense Effect of ITC Debt Component	(46)	(78)	32

ET-24 Eliminate the Effect of FIN 48

ET-29

## DETAIL OF REGULATORY ACCOUNTING ADJUSTMENTS - GENERATION AND DISTRIBUTION REFLECTED IN COL. 2 OF SCHEDULE 11 FOR THE TEST YEAR ENDED DECEMBER 31, 2019 (IN THOUSANDS)

ADJ. STAFF	NUMBER COMPANY	ADJUSTMENT		on and Distribution COMPANY DI	FFERENCE
ET-30	ET-25	Adjust Taxes for Domostic Production Activities Deduction			
ET-31	ET-26	Interest Synchronization	2,530	2,813	(283)
ET-32	ET-27	State Income Tax Effect of Adjustments	19,651	(2,960)	22,611
		TOTAL ADJUSTMENTS TO STATE INCOME TAXES	22,135	(226)	22,361
ET-33	ET-28	TAXES OTHER THAN INCOME ADJUSTMENTS Amortize Organizational Design Initiative Costs Against Sevings		-	
		TOTAL ADJUSTMENTS TO TAXES OTHER THAN INCOME TAXES		•	•
ET-34	ET-29	GAIN ON PROPERTY DISPOSITION ADJUSTMENTS Gain Loss on Disposition of Property	(26)	(28)	
		TOTAL ADJUSTMENTS TO GAIN/LOSS ON DISPOSITION OF PROPERTY	(26)	(26)	
		NET OPERATING INCOME	248,087	(46,749)	294,836
		Adjusted Counting Income Adjustments			
		Adjusted Operating Income Adjustments  Charitable Densitions			
ET-35	ET-30	<u>Charitable Ronations</u> Ekmination of Charitable Donations	(7,991)	(7,991)	•
ET-38	ET-31	Interest on Customer Deposits Reallocation of Retail Customer Costs	364	384	•
		Total Adjusted Operating Income Adjustments	(7,627)	(7,627)	•
		ADJUSTED OPERATING INCOME	255,714	(39,122)	294,836
		<u>Loss:</u>			
ET-37	ET-32	INTEREST EXPENSE AQUISTMENTS Reflect Interest Expense Using End-of-Period Cost of Capital Statement	24,172	19,245	4,927
ET-38	ET-33	PREFERRED DIVIDENDS ADJUSTMENTS. Reflect Proferred Dividends Using End-of-Pariod Cost of Capital Statement			-
ET-39	ET-34	ITC CAPITAL EXPENSE ADJUSTMENTS Reflect ITC Expenses Using End-of-Period Cost of Capital Statement	2,721	2,652	69
		INCOME AVAILABLE FOR COMMON EQUITY	228,821	(61,019)	289,840
		RATE PASE ADJUSTMENTS			
		ALLOWANCE FOR WORKING CAPITAL ADJUSTMENTS			
ET-40	ET-35	Reallocation of Retail Customer Costs	363	363	-
ET-41	ET-36	Cash Working Capital Adjustment	(83,613)	(63,206)	(20,407)
ET-42	ET-37	Eliminate the Effects of Nuclear Related Asset Retirement Obligation (ARO)	918,831	918,831	•
ET-43	ET-38	Customer Refund Adjustment	(217)	(217)	•
ET-44	ET-39	Eliminate Customer Credit Reinvestment Offset Reserve	-		
		TOTAL ADJUSTMENTS TO ALLOWANCE FOR WORKING CAPITAL	835,364	855,771	(20,407)
ET-45	ET-40	ELECTRIC PLANT IN SERVICE ADJUSTMENTS Elimenate the Effects of Nuclear Retaited Asset Retirement Obligation (ARO)	151,647	151,647	-
ET-46	ET-41	Eliminate Copitalized AFUDC	(10,322)	(10.322)	-
ET-47	N/A	To Include the Unamortized Balance of 2019 Asset Impairments Subject to § 58-585,1 E in Rate Base	210,647	•	210,647
ET-47.5	NIA	To include Unamortized Balance of Section A 8 Expense in Rate Base	139,576	•	139,576
		TOTAL ADJUSTMENTS TO UTILITY PLANT IN SERVICE	491,548	141,325	350,223
ET-48	ET-42	PLANT HELD FOR FUTURE USE ADJUSTMENTS Eliminate Plant Helid for Future Use	(2,947)	(2,947)	
		TOTAL ADJUSTMENTS TO PLANT HELD FOR FUTURE USE	(2,947)	(2,947)	
	ET-43	ACCUMULATED DEPRECIATION AND AMORTIZATION ADJUSTMENTS Eliminate the Effects of Nuclear Related Assal Retirement Obligation (ARO)	29,258	29,258	
ET-49 ET-50	ET-44	Eliminate Capitalized AFUDC	(7,491)	(7,491)	
		TOTAL ADJUSTMENTS TO ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION	21,767	21,767	
		TOTAL NET UTILITY PLANT ADJUSTMENTS	466,634	116,611	350,223
ET-51	ET-45	OTHER RATE BASE DEDUCTIONS ADJUSTMENTS Reallocation of Rotal Customer Costs	13,442	13,442	•
ET-52	ET-46	Eliminate the Effects of Nuclear Related Asset Retirement Obligation (ARO)	23,133	23,133	•
ET-53	N/A	Adjustment to include the 13 Month Average ADIT Associated with the Impaired Generating Units	54,587	•	54,587
ET-53.5	N/A	To Include ADIT of Unamortized A 8 Expenses in Rate Base	35,839	•	35,639
		TOTAL ADJUSTMENTS TO OTHER RATE BASE DEDUCTIONS	126,801	36,575	90,226
		COMMON EQUITY CAPITAL ADJUSTMENTS	د.م		
ET-54	-	To adjust common equity capital for change in rate base	611,987		611,987
		TOTAL ADJUSTMENTS TO COMMON EQUITY CAPITAL	611,987	•	611,987

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Exhibit No: \_\_\_\_ Witness: Carr APPENDIX A CALCULATIONS

# DOMINION ENERGY VIRGINIA DETAIL OF REGULATORY ACCOUNTING ADJUSTMENTS - GENERATION REFLECTED IN COL. 2 OF SCHEDULES 11 AND 14 FOR THE TEST YEAR ENDED DECEMBER 31, 2019 (IN THOUSANDS)

ADJ. P STAFF	NUMBER COMPANY	<u> ADJUSTMENT</u>	STAFE	Generation COMPANY	DIFFERENCE
		INCOME ADJUSTMENTS			
		OPERATING REVENUE ADJUSTMENTS			
ET-1	ET-1	Buso Rates and 58-585,1 A4, A5, and A6 RACS Customer Returnd Adjustment	(763)	(763)	•
ET-1 SUP	P ET-1 SUPP	Revenue Correction	(24,033)	(24.033)	• -
ET-2	ET-2	Late Payment Fees Resilication of Retail Customer Costs	-		
ET-3	ET-3	Miscellaneous Elimination of 25% of Off-System Seles Margins	(78)	(78)	
ET-4	ET-4	Eliminate Rider Projects from Test Year Results		-	-
		TOTAL ADJUSTMENTS TO OPERATING REVENUE	(24,874)	(24,874)	•
		OPERATION AND MAINTENANCE EXPENSE ADJUSTMENTS			
ET-5	ET-S	Elimination of Non-Conforming Advertising Expenses	(508)	(501)	(7)
ET-6	ET-6	Eliminate the Effect of Fuel Expenses from the COS	27,038	27,038	-
ET-7	ET-7	Reallocation of Retail Customer Costs	•	-	•
ET-8	ET-8	Reclass Certain Non-Operating Expenses	(848)	(848)	
ET-9	ET-9	Amortize Organizational Design Initiative Costs Against Savings	•	•	•
ET-10	ET-10	Eliminate Incentive Plan Expenses in Excess of Terget	(3,833)	(3,833)	•
ET-11	ET-11	Oceana Solar Charge for Birdneck Circuit	-	-	-
ET-12	ET-12	Eliminale Customer Arrears Forgiveness Costs	-	•	-
ET-13	N/A	Elimination of VA Follower Nuclear Amortization Cost	658	•	658
ET-14	N/A	Elimination of Lobbying Costs	(732)	•	(732)
ET-15	N/A	To Remove 2019 Asset Impairments Subject to § 56-585.1 E From O&M Expense	(29,685)	•	(29,685)
ET-15.5	N/A	To Remove Section A 8 Period Expenses from the Cast of Service	(7,934)	0	(7,934)
		TOTAL ADJUSTMENTS TO OPERATION & MAINTENANCE EXPENSE	(15,844)	21,856	(37,700)
		DEPRECIATION AND AMORTIZATION EXPENSE ADJUSTMENTS			
ET-16	ET-13	Eliminate the Effects of Nuclear Related Asset Retirement Obligation (ARO)	(4,927)	(4,927)	•
ET-17	ET-14	Eliminato Capitalized AFUDC	(274)	(274)	
ET-18	ET-15	Eliminate Customer Credii Reinvestment Offset Reserve	-	-	
ET-19	N/A	To Remove 2019 Asset Impairments Subject to § 56-585.1 E From Depreciation Expense	(248,275)	-	(248,275)
ET-20	N/A	To Reflect Amortization of 2019 Asset Impairments Subject to § 56-585.1 E	8,340		6,340
ET-20.5	N/A	To Amortize Section A 8 Period Expenses Over Five Years	1,587	0	1,587
		TOTAL ADJUSTMENTS TO DEPRECIATION AND AMORTIZATION	(243,550)	(5,201)	(238,348)
		FEDERAL INCOME TAXES			
ET-21	ET-18	Reallocation of Retail Customer Costs	•	•	•
ET-22	ET-17	Eliminate the Effects of Nuclear Related Asset Retirement Obligation (ARO)	1,160	1,160	
ET-23	ET-18	Federal Income Tax Expense Effect of ITC Debt Component	(80)	(174)	94
ET-24	ET-19	Eliminate the Effect of FIN 48	•	107	(107)
ET-25	ET-20	Adjust Taxes for Domestic Production Activities Deduction		-	•
ET-28	ET-21	Interest Synchronization	6,435	6.990	(554)
ET-27	ET-22	Federal Income Tex Effect of Adjustments	45,371	(9,237)	54,607
		TOTAL ADJUSTMENTS TO FEDERAL INCOME TAXES	52,886	(1,154)	54,039
		STATE INCOME TAXES			
ET-28	ET-23	State Income Tax Expense Effect of ITC Debi Component	(23)	(51)	27
ET-29	ET-24	Eliminate the Effect of FIN 48		•	

## DETAIL OF REGULATORY ACCOUNTING ADJUSTMENTS - GENERATION REFLECTED IN COL. 2 OF SCHEDULES 11 AND 14 FOR THE TEST YEAR ENDED DECEMBER 31, 2019 (IN THOUSANDS)

ADJ. N STAFF	UMBER COMPANY	<u>ADJUSTMENT</u>	STAFF	Generation COMPANY	DIFFERENCE
ET-30 ET-31	ET-25 ET-26	Adjust Taxas for Damastic Production Activities Deduction	1,866	2,027	(161)
ET-32	ET-27	Interest Synchronization  State Income Tax Effect of Adjustments	13,155	(2,678)	15,833
C1-02	61-21	TOTAL ADJUSTMENTS TO STATE INCOME TAXES	14,998	(702)	15,700
		TAXES OTHER THAN INCOME ADJUSTMENTS		,,	,
ET-33	ET-28	Amortize Organizational Design Initiative Costs Against Savings	•	•	•
		TOTAL ADJUSTMENTS TO TAXES OTHER THAN INCOME TAXES	0	0	•
ET-34	ET-29	GAIN ON PROPERTY DISPOSITION ADJUSTMENTS Galv/Loss on Disposition of Property	(16)	(16)	-
		TOTAL ADJUSTMENTS TO GAIN/LOSS ON DISPOSITION OF PROPERTY	(16)	(16)	<u>.</u>
		NET OPERATING INCOME	168,621	(39,689)	206,309
		Adjusted Operating income Adjustments			
ET-35	ET-30	Charitable Dengtions Elimination of Charitable Donations	(7,095)	(7,095)	-
ET-38	ET-31	Interest on Customer Doposits Restlocation of Ratali Customer Costs	_		_
21-00	22.	Total Adjusted Operating Income Adjustments	(7,095)	(7,095)	
		ADJUSTED OPERATING INCOME	173,716	(32,593)	206,309
		Less:			
EY-37	ET-32	INTEREST EXPENSE ADJUSTMENTS Reflect Interest Expense Using End-of-Period Cost of Capital Statement	23,084	20,284	2,800
ET-38	ET-33	PREFERRED DIVIDENDS ADJUSTMENTS Reflect Preferred Dividends Using End-of-Period Cost of Capital Statement	0		
	ET-34	ITC CAPITAL EXPENSE ADJUSTMENTS	. 274	4 224	40
ET-39	E1-34	Reflect ITC Expenses Using End-of-Period Cost of Capital Statement INCOME AVAILABLE FOR COMMON EQUITY	1,374 149,258	1,334 (54,211)	203,469
				(a ita i i	
		RATE BASE ADJUSTMENTS			
ET-40	ET-35	ALLOWANCE FOR WORKING CAPITAL ADJUSTMENTS Reallocation of Relail Customer Costs			•
ET-41	ET-38	Cash Working Capital Adjustment	(52,149)	(28,944)	(25,205)
ET-42	ET-37	Eliminate the Effects of Nuclear Related Asset Retirement Obligation (ARO)	918,831	918,831	
ET-43	ET-38	Customer Refund Adjustment	(147)	(147)	•
ET-44	ET-39	Eliminale Customer Credit Reinvestment Offset Reserve	•	-	•
		TOTAL ADJUSTMENTS TO ALLOWANCE FOR WORKING CAPITAL	666,535	891,740	(25,205)
ET-45	ET-40	ELECTRIC PLANT IN SERVICE ADJUSTMENTS  Eliminate the Effects of Nuclear Related Asset Retrement Obegation (ARO)	151,647	151,647	
ET-48	ET-41	Eliminate Capitalized AFUDC	(9,142)	(9,142)	•
ET-47	N/A	To include the Unamortized Balance of 2019 Asset Impelments Subject to § 58-585.1 E in Rate Base	210,647	•	210,647
ET-47.5	NA	To include Unamortized Balance of Section A 8 Expense in Rate Base	7,140	0	7,140
		TOTAL ADJUSTMENTS TO UTILITY PLANT IN SERVICE	360,292	142,505	217,787
ET-48	ET-42	PLANT HELD FOR FUTURE USE ADJUSTMENTS	M.CEI)	(2.861)	
E1-40	E1-42	Eliminate Plant Held für Future Use  TOTAL ADJUSTMENTS TO PLANT HELD FOR FUTURE USE	(2,651)	(2,651)	
		ACCUMULATED DEPRECIATION AND AMORTIZATION ADJUSTMENTS		•	
ET-49	ET-43	Eliminate the Effects of Nuclear Related Asset Relifement Obligation (ARO)	29,256	29,258	•
ET-50	ET-44	Eliminate Capitalized AFUDC	(7,134)	(7.134)	•
		TOTAL ADJUSTMENTS TO ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION	22,124	22,124	•
		TOTAL NET UTILITY PLANT ADJUSTMENTS	335,517	117,730	217,787
ET-51	ET-45	OTHER RATE BASE DEDUCTIONS ADJUSTMENTS Reallocation of Retail Customer Costs	•		
ET-52	ET-46	Eliminate the Effects of Nuclear Related Asset Retirement Obligation (ARO)	23,133	23,133	•
ET-53	N/A	Adjustment to include the 13 Month Average ADIT Associated with the Impaired Generating Units	54,587	•	54,587
ET-53.5	N/A	To Include ADIT of Unamortized A 8 Expenses in Rate Base	1,823	0	1,823
		TOTAL ADJUSTMENTS TO OTHER RATE BASE DEDUCTIONS	79,543	23,133	56,410
_		COMMON EQUITY CAPITAL ADJUSTMENTS			
ET-54	-	To adjust common equity capital for change in rate base	584,451	•	584,451
		TOTAL ADJUSTMENTS TO COMMON EQUITY CAPITAL	584,451	•	584,451

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Exhibit No: \_\_\_\_ Witness: Carr APPENDIX A CALCULATIONS

## DOMINION ENERGY VIRGINIA DETAIL OF REGULATORY ACCOUNTING ADJUSTMENTS - DISTRIBUTION REFLECTED IN COL. 2 OF SCHEDULE 11 FOR THE TEST YEAR ENDED DECEMBER 31, 2019 (IN THOUSANDS)

ADJ. NI STAFF	UMBER COMPANY	ADJUSTMENI	STAFE	Distribution COMPANY	DIFFERENCE
		INCOME ADJUSTMENTS			
		OPERATING REVENUE ADJUSTMENTS			
		Base Rates and 58-595.1 A4. A5. and A6 RACS			
ET-1	ET-1	Customer Refund Adjustment	(382)	(382)	•
ET-1 SUPP	ET-1 SUPP	Revenua Correction	(6,756)	(6,756)	
ET-2	ET-2	<u>Late Payment Foss</u> Reallocation of Retail Customer Costs	2,279	2,279	
ET-3	ET-3	Miscellaneous Elimination of 25% of Off-System Sales Margins		•	•
ET-4	ET-4	Eliminate Rider Projects from Test Year Results	•	-	•
		TOTAL ADJUSTMENTS TO OPERATING REVENUE	(4,838)	(4,838)	•
		OPERATION AND MAINTENANCE EXPENSE ADJUSTMENTS			
ET-5	ET-5	Elimination of Non-Conforming Advertising Expenses	(408)	(404)	(4)
ET-6	ET-6	Eliminate the Effect of Fuel Expenses from the COS	•	•	•
ET-7	ET-7	Resilionation of Retail Customer Costs	2,269	2,269	•
ET-8	ET-8	Reclass Certain Non-Operating Expenses	(31)	(31)	•
ET-0	ET-9	Amortize Organizational Design Initiative Costs Against Savings	•	•	•
ET-10	ET-10	Eliminate Incentive Plan Expenses in Excess of Target	(1,700)	(1,700)	•
ET-11	ET-11	Oceana Solar Charge for Birdneck Circuit	(66)	(66)	•
ET-12	ET-12	Eliminate Customer Arrears Forgiveness Costs	-	•	•
ET-13	N/A	Elimination of VA Follower Nuclear Amortization Cost	•	•	•
ET-14	N/A	Elimination of Lobbying Costs	(373)	-	(373)
ET-15	N/A	To Remove 2019 Asset Impairments Subject to § 56-585.1 E From O&M Expense	•	•	•
ET-15.5	NIA	To Remove Section A 8 Period Expenses from the Cast of Service	(147,151)	0	(147,151)
		TOTAL ADJUSTMENTS TO OPERATION & MAINTENANCE EXPENSE	(147,459)	68	(147,528)
		DEPRECIATION AND AMORTIZATION EXPENSE ADJUSTMENTS			
ET-16	ET-13	Eliminate the Effects of Nuclear Related Asset Retirement Obligation (ARO)	•	•	•
ET-17	ET-14	Eliminate Capitalizad AFUDC	(17)	(17)	•
ET-18	ET-15	Eliminate Customer Credit Reinvestment Offset Reserve	•	•	•
ET-19	N/A	To Remove 2019 Asset Impairments Subject to § 56-585.1 E From Depreciation Expense	-	-	•
ET-20	N/A	To Reflect Amortization of 2019 Asset Impairments Subject to § 56-585.1 E	•	•	•
ET-20.5	N/A	To Amortize Section A 8 Period Expenses Over Five Years	29,430	0	29,430
		TOTAL ADJUSTMENTS TO DEPRECIATION AND AMORTIZATION	29,413	(17)	29,430
		FEDERAL INCOME TAXES			
ET-21	ET-16	Reallocation of Retail Customer Costs	(22)	(22)	•
ET-22	ET-17	Eliminate the Effects of Nuclear Related Asset Retirement Obligation (ARO)	-	•	•
ET-23	ET-18	Federal Income Tax Expense Effect of ITC Debt Component	(79)	(96)	18
ET-24	ET-19	Eliminate the Effect of FIN 48	-	65	(65)
ET-25	ET-20	Adjust Taxes for Domestic Production Activities Deduction	-	-	•
ET-26	ET-21	Interest Synchronization	2,292	2,713	(421)
ET-27	ET-22	Federal Income Tex Effect of Adjustments	22,403	(974)	23,377
		TOTAL ADJUSTMENTS TO FEDERAL INCOME TAXES	24,595	1,685	22,909
		STATE INCOME TAXES			
ET-28	ET-23	State Income Tax Expense Effect of ITC Debt Component	(23)	(28)	5

ET-24 Eliminate the Effect of FIN 48

ET-29

## DETAIL OF REGULATORY ACCOUNTING ADJUSTMENTS - DISTRIBUTION REFLECTED IN COL. 2 OF SCHEDULE 11 FOR THE TEST YEAR ENDED DECEMBER 31, 2019 (IN THOUSANDS)

ADJ. I STAFF	NUMBER COMPANY	ADJUSTMENT	STAFF	Distribution COMPANY	DIFFERENCE
ET-30	ET-25	Adjust Taxes for Domestic Production Activities Deduction			-
ET-31	ET-26	triterest Synchronization	665	787	(122)
ET-32	ET-27	State Income Tax Effect of Adjustments	6,496	(282)	6,778
		TOTAL ADJUSTMENTS TO STATE INCOME TAXES	7,137	476	6,661
ET-33	ET-28	TAXES OTHER THAN INCOME ADJUSTMENTS Amortize Organizational Design Initiative Costa Against Savings			-
		TOTAL ADJUSTMENTS TO TAXES OTHER THAN INCOME TAXES	0	0	•
ET-34	ET-29	GAIN ON PROPERTY DISPOSITION ADJUSTMENTS Gain Loss on Disposition of Property	(10)	(10)	
4154	21-25	TOTAL ADJUSTMENTS TO GAIN/LOSS ON DISPOSITION OF PROPERTY	(10)	(10)	
		NET OPERATING INCOME	81,467	(7,061)	88,527
		Adjusted Operating Income Adjustments			
ET-35	ET-30	Chritable Donations  Elimination of Charitable Donations	(895)	(695)	-
ET-38	ET-31	Interest on Customer Deposits Reallocation of Ratal Customer Costs	364	384	•
		Total Adjusted Operating Income Adjustments	(531)	(531)	•
		ADJUSTED OPERATING INCOME	81,998	(6,529)	88,527
		<u>L498:</u>			
ET-37	ET-32	INTEREST EXPENSE ADJUSTMENTS Reflect Interest Expense Using End-of-Period Cost of Capital Statament	1,088	(1,039)	2,127
ET-38	ET-33	PREFERRED DIVIDENDS ADJUSTMENTS Reflect Preferred Dividends Using End-of-Period Cost of Capital Statement	0		
ET-39	ET-34	ITC CAPITAL EXPENSE ADJUSTMENTS Raflect ITC Expenses Using End-of-Period Cost of Capital Statement	1,347	1,317	30
	2	INCOME AVAILABLE FOR COMMON EQUITY	79,563	(6,807)	88,376
		RATE BASE ADJUSTMENTS			
		ALLOWANCE FOR WORKING CAPITAL ADJUSTMENTS			
ET-40	ET-35	Reallocation of Retail Customer Costs	363	363	•
ET-41	ET-36	Cash Working Capital Adjustment	(31,464)	(38,262)	4,798
ET-42	ET-37	Eliminate the Effects of Nuclear Related Asset Retirement Obligation (ARO)	-		•
ET-43 ET-44	ET-38 ET-39	Customer Refund Adjustment  Elimnate Customer Credil Reinvestment Offset Reserve	(70)	(70)	•
E1	21.39	TOTAL ADJUSTMENTS TO ALLOWANCE FOR WORKING CAPITAL	(31,171)	(35,969)	4,798
		ELECTRIC PLANT IN SERVICE AQUISTMENTS	,,	()	
ET-45	ET-40	Eliminate the Effects of Nuclear Related Asset Retirement Obligation (ARO)	•	•	•
ET-46	ET-41	Elimenate Capitalized AFUDC	(1,180)	(1,180)	•
E1-47	NIA	To Include the Unamortized Balance of 2019 Asset Impairments Subject to § 56-585.1 E in Rate Base			
ET-47.5	N/A	To include Unamortized Balance of Section A 8 Expense in Rate Base	132,436	0	132,438
		TOTAL ADJUSTMENTS TO UTILITY PLANT IN SERVICE	131,255	(1,180)	132,438
ET-48	ET-42	PLANT HELD FOR FUTURE USE ADJUSTMENTS. Eliminate Plant Held for Future Use	(296)	(296)	-
		TOTAL ADJUSTMENTS TO PLANT HELD FOR FUTURE USE	(296)	(296)	
	ET-43	ACCUMULATED DEPRECIATION AND AMORTIZATION ADJUSTMENTS			
ET-49 ET-50	ET-44	Eliminate the Effects of Nuclear Related Asset Retirement Obligation (ARO)  Eliminate Cepitalized AFUDC	(357)	(357)	•
		TOTAL ADJUSTMENTS TO ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION	(357)	(357)	
		TOTAL NET UTILITY PLANT AGJUSTMENTS	131,316	(1,119)	132,436
		OTHER RATE BASE DEDUCTIONS ADJUSTMENTS			
ET-51	ET-49	Resilication of Retail Customer Costs	13,442	13,442	
ET-52	ET-46	Eliminate the Effects of Nuclear Related Asset Retirement Obligation (ARO)	•	•	•
ET-53.5	N/A N/A	Adjustment to include the 13 Month Average ADIT Associated with the Impaired Generating Units  To Include ADIT of Unamortized A 8 Expenses in Rate Base	33.616	. 0	33,816
		TOTAL ADJUSTMENTS TO OTHER RATE BASE DEDUCTIONS	47,258	13,442	33,816
		COMMON EQUITY CAPITAL ADJUSTMENTS			-,
ET-54	-	To edjust common equity capital for change in rate base	27,537		27,537
		TOTAL ADJUSTMENTS TO COMMON EQUITY CAPITAL	27,537	•	27,537

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Exhibit No: \_\_\_\_\_ Witness: Carr APPENDIX A CALCULATIONS

# DOMINION ENERGY VIRGINIA RATE OF RETURN STATEMENT - EARNINGS TEST ADJUSTED TO A REGULATORY ACCOUNTING BASIS - GENERATION AND DISTRIBUTION FOR THE TEST YEAR ENDED DECEMBER 31, 2020 USING THIRTEEN MONTH AVERAGE RATE BASE AND COMMON EQUITY (IN THOUSANDS)

(1)

(2)

(3)

LINE <u>NO.</u>		Per Books Virginia Juris. Cost of Service	Regulatory Accounting <u>Adjustments</u>	Virginia Jurisdictional Cost of Service after Adjustments (1)+(2)
1	OPERATING REVENUE			
2	BASE RATES AND 56-585.1 A4, A5, AND A6 RACS	2,989,251	(87,128)	2,902,123
3	FUEL FACTOR	1,261,933	0	1,261,933
4	LATE PAYMENT FEES	3,439	634	4,073
5	MISCELLANEOUS	100,152	(1,467)	98,685
6	TOTAL OPERATING REVENUES	4,354,775	(87,961)	4,266,814
7	OPERATING REVENUE DEDUCTIONS			
8	OPERATION & MAINTENANCE EXPENSE	2,439,921	(120,242)	2,319,679
9	DEPRECIATION & AMORTIZATION	1,344,812	(694,545)	650,267
10	FEDERAL INCOME TAXES	(77)	147,288	147,211
11	STATE INCOME TAXES	29,635	43,555	73,190
12	TAXES OTHER THAN INCOME TAXES	167,259	0	167,259
13	(GAIN)/LOSS ON DISPOSITION OF PROPERTY	(1,533)	(186)	(1,719)
14	TOTAL OPERATING REVENUE DEDUCTIONS	3,980,016	(624,129)	3,355,887
15	OPERATING INCOME	374,758	536,168	910,927
16 17 18 19	PLUS: AFUDC LESS: CHARITABLE DONATIONS INTEREST EXPENSE ON CUSTOMER DEPOSITS OTHER INTEREST EXPENSE/(INCOME)	0 9,077 1,923 1,334	0 (9,077) 354 0	0 (0) 2,277 1,334
20	ADJUSTED OPERATING INCOME	362,425	544,891	907,316
21 22 23 24	PLUS: OTHER INCOME/(EXPENSE) LESS: INTEREST EXPENSE-BOOKED PREFERRED DIVIDENDS ITC CAPITAL EXPENSE	0 163,374 0 n/a	0 31,609 0 3,595	0 194,983 0 3,595
25	INCOME AVAILABLE FOR COMMON EQUITY	199,051	509,687	708,738
26 27 28	ALLOWANCE FOR WORKING CAPITAL PLUS: NET UTILITY PLANT LESS: OTHER RATE BASE DEDUCTIONS	(544,902) 11,117,082 2,410,265	777,493 1,075,140 273,485	232,591 12,192,221 2,683,750
29	TOTAL AVERAGE RATE BASE	8,161,915	1,579,147	9,741,062
30	TOTAL AVERAGE CAPITAL	8,161,915	1,579,147	9,741,062
31	AVERAGE COMMON EQUITY CAPITAL	4,229,466	818,307	5,047,772
	% RATE OF RETURN EARNED ON AVG. RATE BASE % RATE OF RETURN EARNED ON AVG. COMMON EQ.	4.44% 4.71%		9.31% 14.04%

# DOMINION ENERGY VIRGINIA RATE OF RETURN STATEMENT - EARNINGS TEST ADJUSTED TO A REGULATORY ACCOUNTING BASIS - GENERATION FOR THE TEST YEAR ENDED DECEMBER 31, 2020 USING THIRTEEN MONTH AVERAGE RATE BASE AND COMMON EQUITY (IN THOUSANDS)

(1) (2) (3)

LINE NO.		Per Books Virginia Juris. Cost of Service	Regulatory Accounting <u>Adjustments</u>	Virginia Jurisdictional Cost of Service after Adjustments (1)+(2)
1	OPERATING REVENUE		<b>4=4 ==</b>	
2	BASE RATES AND 56-585.1 A4, A5, AND A6 RACS	1,906,552	(71,581)	1,834,970
3 4	FUEL FACTOR	1,261,933 2,636	0	1,261,933 2,636
5	LATE PAYMENT FEES MISCELLANEOUS	2,636 78,311	(1,467)	2,636 76,844
3	MISCELLANEOUS	70,311	(1,407)_	70,044
6	TOTAL OPERATING REVENUES	3,249,431	(73,048)	3,176,382
7	OPERATING REVENUE DEDUCTIONS			
8	OPERATION & MAINTENANCE EXPENSE	2,083,300	(96,379)	1,986,920
9	DEPRECIATION & AMORTIZATION	990,699	(723,958)	266,740
10	FEDERAL INCOME TAXES	(26,528)	153,205	126,677
11	STATE INCOME TAXES	19,837	44,173	64,011
12 13	TAXES OTHER THAN INCOME TAXES (GAIN)/LOSS ON DISPOSITION OF PROPERTY	86,105 (940)	0 (115)	86,105 (1,056)
13	(GAIN)/LOSS ON DISPOSITION OF PROPERTY	(940)	(113)	(1,030)
14	TOTAL OPERATING REVENUE DEDUCTIONS	3,152,472	(623,075)	2,529,398
15	OPERATING INCOME	96,959	550,026	646,985
16 17 18 19	PLUS: AFUDC LESS: CHARITABLE DONATIONS INTEREST EXPENSE ON CUSTOMER DEPOSITS OTHER INTEREST EXPENSE/(INCOME)	0 7,703 1,474 815	(7,703) 0 0	0 (0) 1,474 815
13	OTHER INTEREST EXPENSE (INCOME)		<u> </u>	013
20	ADJUSTED OPERATING INCOME	86,966	557,729	644,696
21	PLUS: OTHER INCOME/(EXPENSE)	0	0	0
22	LESS: INTEREST EXPENSE-BOOKED	65,604	30,769	96,373
23	PREFERRED DIVIDENDS	0	0	0
24	ITC CAPITAL EXPENSE	<u>n/a</u>	1,777	1,777
25	INCOME AVAILABLE FOR COMMON EQUITY	21,362	525,183	546,545
26 27 28	ALLOWANCE FOR WORKING CAPITAL PLUS: NET UTILITY PLANT LESS: OTHER RATE BASE DEDUCTIONS	(530,646) 4,865,982 1,057,844	793,305 973,201 229,325	262,659 5,839,182 1,287,169
29	TOTAL AVERAGE RATE BASE	3,277,491	1,537,181	4,814,672
30	TOTAL AVERAGE CAPITAL	3,277,491	1,537,181	4,814,672
31	AVERAGE COMMON EQUITY CAPITAL	1,698,381	796,560	2,494,941
32 33	% RATE OF RETURN EARNED ON AVG. RATE BASE % RATE OF RETURN EARNED ON AVG. COMMON EQ.	2.65% 1.26%		13.39% 21.91%

# DOMINION ENERGY VIRGINIA RATE OF RETURN STATEMENT - EARNINGS TEST ADJUSTED TO A REGULATORY ACCOUNTING BASIS - DISTRIBUTION FOR THE TEST YEAR ENDED DECEMBER 31, 2020 USING THIRTEEN MONTH AVERAGE RATE BASE AND COMMON EQUITY (IN THOUSANDS)

(1)

(2)

(3)

LINE <u>NO.</u>		Per Books Virginia Juris. Cost of Service	Regulatory Accounting <u>Adjustments</u>	Virginia Jurisdictional Cost of Service after Adjustments (1)+(2)
1 2	OPERATING REVENUE BASE RATES AND 56-585.1 A4, A5, AND A6 RACS	1.082.699	(15,547)	1,067,153
3	FUEL FACTOR	0	0	0
4	LATE PAYMENT FEES	803	634	1,437
5	MISCELLANEOUS	21,842	0	21,842
6	TOTAL OPERATING REVENUES	1,105,344	(14,913)	1,090,431
7	OPERATING REVENUE DEDUCTIONS			
8	OPERATION & MAINTENANCE EXPENSE	356,622	(23,862)	332,759
9	DEPRECIATION & AMORTIZATION	354,113	29,414	383,527
10 11	FEDERAL INCOME TAXES STATE INCOME TAXES	26,451 9,797	(5,917) (618)	20,534 9,180
12	TAXES OTHER THAN INCOME TAXES	81.154	(0.10)	81,154
13	(GAIN)/LOSS ON DISPOSITION OF PROPERTY	(593)	(71)	(664)
14	TOTAL OPERATING REVENUE DEDUCTIONS	827,544	(1,055)	826,490
15	OPERATING INCOME	277,800	(13,858)	263,942
16 17	PLUS: AFUDC LESS: CHARITABLE DONATIONS	0 1,373	0 (1,373)	0
18	INTEREST EXPENSE ON CUSTOMER DEPOSITS	449	354	803
19	OTHER INTEREST EXPENSE/(INCOME)	519	0.	519
20	ADJUSTED OPERATING INCOME	275,459	(12,839)	262,620
21	PLUS: OTHER INCOME/(EXPENSE)	0	0	0
22	LESS: INTEREST EXPENSE-BOOKED	97,770	840	98,610
23 24	PREFERRED DIVIDENDS ITC CAPITAL EXPENSE	0 n/a	0 1,818	0 1,818
25	INCOME AVAILABLE FOR COMMON FORITY	477 600	-	
25	INCOME AVAILABLE FOR COMMON EQUITY	177,689	(15,497)	162,192
26	ALLOWANCE FOR WORKING CAPITAL	(14,256)	(15,813)	(30,069)
27	PLUS: NET UTILITY PLANT	6,251,100	101,939	6,353,039
28	LESS: OTHER RATE BASE DEDUCTIONS	1,352,421	44,160	1,396,581
29	TOTAL AVERAGE RATE BASE	4,884,423	41,966	4,926,389
30	TOTAL AVERAGE CAPITAL	4,884,423	41,966	4,926,389
31	AVERAGE COMMON EQUITY CAPITAL	2,531,085	21,747	2,552,832
32 33	% RATE OF RETURN EARNED ON AVG. RATE BASE % RATE OF RETURN EARNED ON AVG. COMMON EQ.	5.64% 7.02%		5.33% 6.35%

## DOMINION ENERGY VIRGINIA DETAIL OF REGULATORY ACCOUNTING ADJUSTMENTS - GENERATION AND DISTRIBUTION REFLECTED IN COLL 2 OF SCHEDULE 11 FOR THE TEST YEAR ENDED DECEMBER 31, 2020 (IN THOUSANDS)

ADJ. NUMBER STAFF COMPANY

#### ADJUSTMENT

Generation and Distribution
STAFE COMPANY DIFFERENCE

STAFE	COMPANY	ADJUSTMENT	STAFF	COMPANY	DIFFERENCE
		INCOME ADJUSTMENTS			
		OPERATING REVENUE ADJUSTMENTS			
ET-1	ET-1	Base Rates and 56-585.1 A4, A5, and A6 RACS Customer Refund Adjustment			•
ET-1 SUPP	ET-1 SUPP	Revenue Correction	(87,128)	(87,128)	•
ET-2	ET-2	Late Payment Focs Reallocation of Retail Customer Costs	634	634	•
ET-3	ET-3	Miscellaneous Elimination of 25% of Off-System Sales Margins	(1,487)	(1,467)	<u>.</u>
ET-4	ET-4	Eliminate Rider Projects from Test Year Results			
		TOTAL ADJUSTMENTS TO OPERATING REVENUE	(87,961)	(87,961)	•
		OPERATION AND MAINTENANCE EXPENSE ADJUSTMENTS			
ET-5	ET-5	Elimination of Non-Conforming Advertising Expenses	(2,371)	(2,313)	(58)
ET-8	ET-6	Eliminate the Effect of Fuel Expenses from the COS	256	258	-
ET-7	ET-7	Reallocation of Retail Customer Costs	21,161	21,161	•
ET-8	ET-8	Reclass Certain Non-Operating Expenses	(561)	(561)	•
ET-9	ET-9	Amortize Organizational Design initiative Costs Against Savings			•
ET-10	ET-10	Eliminate Incentive Plan Expenses in Excess of Target	(8,505)	(9,110)	605
ET-11	ET-11	Oceana Solar Charge for Birdneck Circuit	(66)	(66)	•
ET-12	ET-12	Eliminate Customer Arrears Forgiveness Costs	(117,072)	(117,072)	•
ET-13	NIA	Elimination of VA Follower Nuclear Amortization Cost	(1,168)	-	(1,168)
ET-14	N/A	Elimination of Lobbying/Donation Costs	(958)		(958)
ET-15	N/A	To Remove 2020 Asset Impairments Subject to § 56-585.1 E From O&M Expense	(10,957)		(10,957)
ET-15.5	N/A	To Remove Section A 8 Period Expenses from the Cost of Service	-	•	•
		TOTAL ADJUSTMENTS TO OPERATION & MAINTENANCE EXPENSE	(120,242)	(107,705)	(12,536)
		DEPRECIATION AND AMORTIZATION EXPENSE ADJUSTMENTS			
ET-16	ET-13	Eliminate the Effects of Nuclear Related Asset Retirement Obligation (ARO)	(2,700)	(2,700)	•
ET-17	ET-14	Eliminate Capitalized AFUDC	(25 <del>9</del> )	(259)	•
ET-18	ET-15	Eliminate Customer Credit Reinvestment Offset Reserve	(120,000)	(120,000)	•
ET-19	N/A	To Remove 2020 Asset Impairments Subject to § 56-585.1 E From Depreciation Expense	(633.242)		(633,242)
ET-20	N/A	To Reflect Amortization of Asset Impairments Subject to § 56-585.1 E	30,639		30,639
ET-20.5	N/A	To Arnortize Section A 8 Period Expenses Over Five Years	31,017	•	31,017
		TOTAL ADJUSTMENTS TO DEPRECIATION AND AMORTIZATION	(694,545)	(122,959)	(571,586)
		FEDERAL INCOME TAXES			
ET-21	ET-16	Reallocation of Retail Customer Costs	(3,783)	(3,783)	
ET-22	ET-17	Eliminate the Effects of Nuclear Retated Asset Retirement Obligation (ARO)	669	669	•
ET-23	ET-18	Federal Income Tax Expense Effect of ITC Debt Component	(210)	(355)	144
ET-24	ET-19	Eliminate the Effect of FIN 48	-	-	-
ET-25	ET-20	Adjust Taxes for Domestic Production Activities Deduction	•	•	•
ET-26	ET-21	Interest Synchronization	7,312	9,576	(2,264)
ET-27	ET-22	Federal Income Tax Effect of Adjustments	143,300	27,616	115,684
		TOTAL ADJUSTMENTS TO FEDERAL INCOME TAXES	147,288	33,723	113,565
		STATE INCOME TAXES			
ET-28	ET-23	State Income Tax Expense Effect of ITC Debt Component	(61)	(103)	42
ET-29	ET-24	Eliminate the Effect of FIN 48	-	•	-

## DETAIL OF REGULATORY ACCOUNTING ADJUSTMENTS - GENERATION AND DISTRIBUTION REFLECTED IN COL. 2 OF SCHEDULE 11 FOR THE TEST YEAR ENDED DECEMBER 31, 2020 (IN THOUSANDS)

ADJ. N STAFE	UMBER COMPANY	ADJUSTMENT		tion and Distribu	tion DIFFERENCE
ET-30	ET-25	Adjust Taxos for Demostic Production Activities Deduction			
ET-31	ET-26	Interest Synchronization	2,118	2,773	(656)
ET-32	ET-27	State Income Tax Effect of Adjustments	41,499	7,997	33,501
		TOTAL ADJUSTMENTS TO STATE INCOME TAXES	43,555	10,668	32,888
		TAXES OTHER THAN INCOME ADJUSTMENTS			
ET-33	ET-28	Amortize Organizational Design Inklintive Costs Against Savings  TOTAL ADJUSTMENTS TO TAXES OTHER THAN INCOME TAXES	•	-	•
		GAIN ON PROPERTY DISPOSITION ADJUSTMENTS	•	•	•
ET-34	ET-29	Gan/Loss on Disposition of Property	186	(353)	539
		TOTAL ADJUSTMENTS TO GAIN/LOSS ON DISPOSITION OF PROPERTY	186	(353)	539
		NET OPERATING INCOME	538,168	97,959	438,209
		Adjusted Operating Income Adjustments			
ET-35	ET-30	Charitable Popasions Emmination of Charitable Donations	(9,077)	(9,077)	
		Interest on Customer Resealts			
€T-36	ET-31	Reallocation of Retail Customer Costs	354	354	•
		Total Adjusted Operating Income Adjustments  ADJUSTED OPERATING INCOME	(8,723) 544,891	(8,723) 106,682	438,209
		Loss;	,, i	100,002	430,200
		INTEREST EXPENSE ADJUSTMENTS			
ET-37	ET-32	Reflect Interest Expense Using End-of-Period Cost of Capital Statement	31,609	20,174	11,435
ET-38	ET-33	PREFERRED DIVIDENDS ADJUSTMENTS. Reflect Preferred Dividends Using End-of-Period Cost of Capital Statement		•	•
ET-39	ET-34	ITC CAPITAL EXPENSE ADJUSTMENTS Reflect ITC Expenses Using End-of-Period Cost of Capital Statement	3,695	3,384	211
		INCOME AVAILABLE FOR COMMON EQUITY	509,687	83,124	428,563
		CATE CARE AD HISTMENTS			
		RATE BASE ACJUSTMENTS			
ET-40	ET-35	ALLOWANCE FOR WORKING CAPITAL ADJUSTMENTS Reallocation of Retail Customer Costs	1,089	1,089	•
ET-41	ET-36	Cosh Working Capital Adjustment	(91,110)	(24,042)	(67,069)
ET-42	ET-37	Eliminate the Effects of Nuclear Related Asset Retirement Obligation (ARO)	879,144	879,144	•
ET-43	ET-38	Customer Refund Adjustment	•	•	-
हा-44	ET-39	Eliminate Customer Credit Reinvestment Offset Reserve	(11,830)	(11,630)	•
		TOTAL ADJUSTMENTS TO ALLOWANCE FOR WORKING CAPITAL	777,493	844,561	(67,069)
<b>ਵ</b> 1-45	ET-40	ELECTRIC PLANT IN SERVICE ADJUSTMENTS Eliminate the Effects of Nuclear Related Asset Retirement Obligation (ARO)	247,410	247,410	•
ਦਾ-46	£T-41	Eliminate Capitalized AFUDC	(9,026)	(9,026)	•
ET-47	N/A	To include the Unamortized Balance of Asset Impairments Subject to § 58-585.1 E In Rate Base	756,788	•	758,788
ET-47.5	N/A	To include Unamortized Batance of Section A 8 Expense in Rate Base	108,559	•	108,559
		TOTAL ADJUSTMENTS TO UTILITY PLANT IN SERVICE	1,103,730	238,384	885,345
ET-48	ET-42	PLANT HELD FOR FUTURE USE ADJUSTMENTS Eleminato Plant Held for Future Use	(2,994)	(2,994)	
21-40	21-42	TOTAL ADJUSTMENTS TO PLANT HELD FOR FUTURE USE	(2,994)	(2,994)	•
		ACCUMULATED DEPRECIATION AND AMORTIZATION ADJUSTMENTS			
ET-49	ET-43	Eliminate the Effects of Nuclear Related Asset Retirement Obligation (ARO)	32,071	32,071	•
ET-50	ET-44	Eliminate Capitalized AFUDC	(6,475)	(6,475)	•
		TOTAL ADJUSTMENTS TO ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION	25,596	25,596	•
		TOTAL NET UTILITY PLANT ADJUSTMENTS	1,075,140	209,795	865,345
ET-51	ET-45	OTHER RATE BASE DEDUCTIONS ADJUSTMENTS Realbockion of Retail Customer Costs	17,884	17,864	
ET-52	ET-46	Eliminata the Effects of Nuclear Related Asset Retirement Obligation (ARO)	28,633	28,633	
ET-53	NIA	Adjustment to Include the 13 Month Average ADIT Associated with the Impaired Generating Units	199,274	•	199,274
ET-53.5	NIA	To Include ADIT of Unamortized Balance of Section A 8 Exponse in Rate Base	27,714		27,714
		TOTAL ADJUSTMENTS TO OTHER RATE BASE DEDUCTIONS	273,485	48,497	226,988
		COMMON EQUITY CAPITAL ADJUSTMENTS			
ET-54	N/A	To adjust common equity capital for change in rate base	818,307		818,307
		TOTAL ADJUSTMENTS TO COMMON EQUITY CAPITAL	818,307		818,307

# DOMINION ENERGY VIRGINIA DETAIL OF REGULATORY ACCOUNTING ADJUSTMENTS - GENERATION REFLECTED IN COL. 2 OF SCHEDULE 11 FOR THE TEST YEAR ENDED DECEMBER 31, 2020 (IN THOUSANDS)

ADJ. N STAEE	UMBER COMPANY	ADJUSTMENT	STAFF	Goneration COMPANY	DIFFERENCE
RIGIL	SOMETHI	CHANGING	MICH.	SOMETHI	DITTEME
		INCOME ADJUSTMENTS			
		OPERATING REVENUE ADJUSTMENTS			
ET-1	ET-1	Base Rates and 56-585.1 A4, A5, and A6 RACS Customer Refund Adjustment		•	•
ET-1 SUPP		Revenue Correction	(71,581)	(71,581)	
		Late Payment Fors			
ET-2	ET-2	Realiscation of Retail Customer Costs	•	-	•
ET-3	ET-3	Miscellaneous Elimination of 25% of Off-System Sales Margins	(1,467)	(1,467)	•
ET-4	ET-4	Eliminate Rider Projects from Test Year Results	•	-	•
		TOTAL ADJUSTMENTS TO OPERATING REVENUE	(73,048)	(73,048)	
		OPERATION AND MAINTENANCE EXPENSE ADJUSTMENTS			
ET-5	ET-5	Elimination of Non-Conforming Advertising Expenses	(1,433)	(1,391)	(42)
ET-6	ET-6	Eliminate the Effect of Fuel Expenses from the COS	258	256	•
ET-7	ET-7	Reallocation of Retail Customer Costs	•	•	•
ET-8	ET-8	Reclass Certain Non-Operating Expenses	(561)	(561)	•
ET-9	ET-9	Amortize Organizational Design Initiative Costs Against Savings	-	-	•
ET-10	ET-10	Eliminate Incentive Plan Expenses in Excess of Target	(6,101)	(8,535)	434
ET-11	ET-11	Oceane Solar Charge for Birdneck Circuit	•	•	•
ET-12	ET-12	Eliminate Customer Arrears Forgiveness Costs	(75,771)	(75,771)	•
ET-13	N/A	Elimination of VA Follower Nuclear Amortization Cost	(1,168)	•	(1,168)
ET-14	N/A	Elimination of Loobying/Donation Costs	(643)	•	(643)
ET-15	N/A	To Remove 2020 Asset Impairments Subject to § 58-585.1 E From O&M Expense	(10,957)	-	(10,957)
ET-15.5	N/A	To Remove Section A 8 Period Expenses from the Cost of Service	0	0	
		TOTAL ADJUSTMENTS TO OPERATION & MAINTENANCE EXPENSE	(98,379)	(84,004)	(12,376)
		DEPRECIATION AND AMORTIZATION EXPENSE ADJUSTMENTS			
ET-16	ET-13	Eliminate the Effects of Nuclear Related Asset Retirement Obligation (ARO)	(2,700)	(2,700)	
ET-17	ET-14	Eliminate Capitalized AFUDC	(243)	(243)	
ET-18	ET-15	Eliminate Customer Credit Reinvestment Offset Reserve	(120,000)	(120,000)	•
ET-19	N/A	To Remove 2020 Asset Impairments Subject to § 56-585.1 E From Depreciation Expense	(633,242)		(633,242)
ET-20	N/A	To Reflect Amortization of Asset Impairments Subject to § 56-585.1 E	30,639		30,639
ET-20.5	N/A	To Amortize Section A 8 Period Expenses Over Five Years	1,587	0	1,587
		TOTAL ADJUSTMENTS TO DEPRECIATION AND AMORTIZATION	(723,958)	(122,942)	(601,016)
		FEDERAL INCOME TAXES			
ET-21	ET-16	Reallocation of Retail Customer Costs	-	-	
ET-22	ET-17	Eliminate the Effects of Nuclear Related Asset Retirement Obligation (ARO)	669	669	-
ET-23	ET-18	Federal Income Tax Expense Effect of ITC Debt Component	(104)	(217)	113
ET-24	ET-19	Eliminate the Effect of FiN 48			
ET-25	ET-20	Adjust Taxes for Domestic Production Activities Deduction			
ET-26	ET-21	Interest Synchronization	5,299	7,248	(1,947)
ET-27		Federal Income Tax Effect of Adjustments	147,341	25,903	121,438
		TOTAL ADJUSTMENTS TO FEDERAL INCOME TAXES	153,205	33,602	119,604
		STATE INCOME TAXES			•
ET-28	ET-23	State Income Tax Expense Effect of ITC Debt Component	(30)	(63)	33
ET-29	ET-24	Eliminate the Effect of FIN 48		•	
	_, _,				

## DETAIL OF REGULATORY ACCOUNTING ADJUSTMENTS - GENERATION REFLECTED IN COL. 2 OF SCHEDULE 11 FOR THE TEST YEAR ENDED DECEMBER 31, 2020 (IN THOUSANDS)

	IUMBER	(IN THOUSANDS)		Generation	
STAFF	COMPANY	<u>ADJUSTMENT</u>	STAFE	COMPANY	DIFFERENCE
ET-30	ET-25	Adjust Texes for Domestic Production Activities Deduction	•	•	٠
ET-31	ET-26	Interest Synchronization	1,534	2,098	(564)
ET-32	ET-27	State Income Tax Effect of Adjustments	42,669	7,501	35,168
		TOTAL ADJUSTMENTS TO STATE INCOME TAXES	44,173	9,537	34,636
ET-33	ET-28	IAXES OTHER THAN INCOME ADJUSTMENTS. Amortize Organizational Design Initiative Costs Against Sevings	-	•	•
		TOTAL ADJUSTMENTS TO TAXES OTHER THAN INCOME TAXES	0	0	•
ET-34	ET-29	GAIN ON PROPERTY DISPOSITION ADJUSTMENTS GEIN/Loss on Disposition of Property	115	(218)	334
		TOTAL ADJUSTMENTS TO GAIN/LOSS ON DISPOSITION OF PROPERTY	115	(218)	334
		NET OPERATING INCOME	550,026	90,540	459,486
		Adjusted Operating Income Adjustments			
ET-35	ET-30	Charitable Ponetilons Elemination of Chantable Donations	(7,703)	(7,703)	_
E1-33	£1-30	Interval on Guatomer Deposits	(1,100)	(1,700)	•
ET-38	ET-31	Reallocation of Rotall Customer Costs	•	•	•
		Total Adjusted Operating Income Adjustments	(7,703)	(7,703)	•
		ADJUSTED OPERATING INCOME	557,729	98,244	459,486
		Less:			
ET-37	ET-32	INTEREST EXPENSE ADJUSTMENTS Reflect Interest Expense Using End-of-Peniod Cost of Capital Statement	30,769	20,932	9,837
ET-38	ET-33	PREFERRED DIVIDENDS ADJUSTMENTS Reflect Preferred Dividends Using End-of-Period Cost of Cepital Statement	0	•	
ET-39	ET-34	ITC CAPITAL EXPENSE AQUISTMENTS Reflect ITC Expenses Using End-of-Period Cost of Capital Statement	1,777	1,596	181
		INCOME AVAILABLE FOR COMMON EQUITY	525,183	75,715	449,458
		DATE DASE AN HISTORY			
		BATE PASE ADJUSTMENTS  ALLOWANCE FOR WORKING CAPITAL ADJUSTMENTS			
ET-40	ET-35	Reallocation of Retail Customer Costs	•	•	•
ET-41	ET-35	Cosh Worlong Capital Adjustment	(74,208)	(4,002)	(70,207)
ET-42	ET-37	Eliminate the Effects of Nuclear Related Asset Retirement Obligation (ARO)	879,144	879,144	•
ET-43	ET-38	Customer Refund Adjustment	•		•
ET-44	ET-39	Eliminate Customer Credit Reinvostment Offset Reserve	(11,630)	(11,630)	-
		TOTAL ADJUSTMENTS TO ALLOWANCE FOR WORKING CAPITAL ELECTRIC PLANT IN SERVICE ADJUSTMENTS	793,305	863,512	(70,207)
ET-45	ET-40	ELECTRIC PLANT IN SERVICE ANALYS INCRED E Eliminato the Effects of Nuclear Related Asset Retirement Obligation (ARO)	247,410	247,410	-
ET-48	ET-41	Eliminate Capitalized AFUDC	(7,916)	(7,916)	•
ET-47	N/A	To Include the Unamortized Balance of Asset Impairments Subject to § 56-585.1 E in Rate Base	756,786	-	756,788
ET-47.5	NIA	To include Unamortized Balance of Section A 8 Expense in Rate Base	5,554	0	5,554
		TOTAL ADJUSTMENTS TO UTILITY PLANT IN SERVICE	1,001,833	239,494	762,340
ET-48	ET-42	PLANT HELD FOR FUTURE USE ADJUSTMENTS  Eliminate Plant Hetal for Future Use	(2,697)	(2,697)	_
2,7-10	22	TOTAL ADJUSTMENTS TO PLANT HELD FOR FUTURE USE	(2,697)	(2,697)	
ET-49	ET-43	ACCUMULATED DEPRECIATION AND AMORTIZATION ADJUSTMENTS. Eliminate the Effects of Nuclear Related Asset Ratement Obligation (ARO)	32,071	32,071	
ET-50	ET-44	Eliminate Capitalized AFUDC	(6,135)	(6,135)	-
		TOTAL ADJUSTMENTS TO ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION	25,936	25,936	
		TOTAL NET UTILITY PLANT ADJUSTMENTS	973,201	210,861	762,340
ET-51	ET-45	OTHER RATE BASE DEDUCTIONS ADJUSTMENTS Reallocation of Retail Customer Costs	-	•	-
ET-52	ET-46	Eliminate the Effects of Nuclear Related Asset Retirement Obligation (ARO)	28,633	28,633	•
ET-53	N/A	Adjustment to Include the 13 Month Average ADIT Associated with the Impaired Generating Units	199,274	0	199,274
ET-53.5	N/A	To include ADIT of Unamortized Balance of Section A B Expense in Rate Base	1,416	0	1,418
		TOTAL ADJUSTMENTS TO OTHER RATE BASE DEDUCTIONS	229,325	28,633	200,692
		COMMON EQUITY CAPITAL ADJUSTMENTS			
ET-54	N/A	To adjust common equity capital for change in rate base	796,560	<u> </u>	796,660
		TOTAL ADJUSTMENTS TO COMMON EQUITY CAPITAL	796,560	•	796,560

# DOMINION ENERGY VIRGINIA DETAIL OF REGULATORY ACCOUNTING ADJUSTMENTS - DISTRIBUTION REFLECTED IN COL. 2 OF SCHEDULE 11 FOR THE TEST YEAR ENDED DECEMBER 31, 2020 (IN THOUSANDS)

AOJ NI STAFF	UMBER COMPANY	ADJUSTMENT	STAFF	Distribution COMPANY	DIFFERENCE
		INCOME ADJUSTMENTS			
		OPERATING REVENUE ADJUSTMENTS			
ET-1	ET-1	Base Rates and 56-585,1 A4, A5, and A6 RACS Customer Refund Adjustment	•	-	
ET-1 SUPP	ET-1 SUPP	Revenue Correction	(15,547)	(15,547)	
ET-2	ET-2	<u>Late Payment Fees</u> Reallocation of Retail Customer Costs	634	634	•
ET-3	ET-3	Miscellaneous Elimination of 25% of Off-System Sales Margins	-	-	•
ET-4	ET-4	Eliminate Rider Projects from Test Year Results	-	-	•
		TOTAL ADJUSTMENTS TO OPERATING REVENUE	(14,913)	(14,913)	•
		OPERATION AND MAINTENANCE EXPENSE ADJUSTMENTS			
ET-5	ET-5	Elimination of Non-Conforming Advertising Expenses	(938)	(922)	(16)
ET-6	ET-6	Eliminate the Effect of Fuel Expenses from the COS		-	•
ET-7	ET-7	Reallocation of Retail Customer Costs	21,181	21,161	
ET-8	ET-8	Reclass Certain Non-Operating Expenses	-		•
ET-9	ET-9	Amortize Organizational Design Initiative Costa Against Savings			
ET-10	ET-10	Eliminate Incentive Ptan Expenses in Excess of Target	(2,404)	(2,575)	171
ET-11	ET-11	Oceana Solar Charge for Birdneck Circult	(86)	(68)	
ET-12	ET-12	Eliminate Customer Arrears Forgiveness Costs	(41,300)	(41,300)	•
ET-13	N/A	Elimination of VA Follower Nuclear Amortization Cost			•
ET-14	N/A	Elimination of Lobbying/Donation Costs	(315)	•	(315)
ET-15	N/A	To Remove 2020 Asset Impairments Subject to § 58-585.1 E From O&M Expense			
ET-15.5	N/A	To Remove Section A 8 Period Expenses from the Cost of Service	-		
		TOTAL ADJUSTMENTS TO OPERATION & MAINTENANCE EXPENSE	(23,862)	(23,702)	(160)
		DEPRECIATION AND AMORTIZATION EXPENSE ADJUSTMENTS			
ET-16	ET-13	Eliminate the Effects of Nuclear Related Asset Retirement Obligation (ARO)	•	-	
ÉT-17	ET-14	Eliminate Capitalized AFUDC	(17)	(17)	
ET-18	ET-15	Eliminate Customer Credit Reinvestment Offset Reserve		•	
ET-19	N/A	To Remove 2020 Asset Impairments Subject to § 56-585.1 E From Depreciation Expense		-	
ET-20	N/A	To Reflect Amortization of Asset Impairments Subject to § 58-585.1 E			
ET-20.5	N/A	To Amortize Section A 8 Period Expenses Over Five Years	29,430		29,430
		TOTAL ADJUSTMENTS TO DEPRECIATION AND AMORTIZATION	29,414	(17)	29,430
		FEDERAL INCOME TAXES		, ,	
ET-21	ET-16	Realtocation of Retail Customer Costs	(3,783)	(3.783)	•
ET-22	ET-17	Eliminate the Effects of Nuclear Related Asset Retirement Obligation (ARO)			
ET-23	ET-18	Federal Income Tax Expense Effect of ITC Debt Component	(106)	(138)	32
ET-24	ET-19	Eliminate the Effect of FIN 48			•
ET-25	ET-20	Adjust Taxes for Domestic Production Activities Deduction			
ET-26	ET-21	Interest Synchronization	2,014	2,330	(317)
ET-27	ET-22	Federal Income Tax Effect of Adjustments	(4,041)	1,713	(5,754)
		TOTAL ADJUSTMENTS TO FEDERAL INCOME TAXES	(5,917)	122	(6,039)
		STATE INCOME TAXES	• • •		,,
ET-28	ET-23	State Income Tax Expense Effect of ITC Debt Component	(31)	(40)	9
ET-29	ET-24	Eliminate the Effect of FIN 48	,-,,		

## DETAIL OF REGULATORY ACCOUNTING ADJUSTMENTS - DISTRIBUTION REFLECTED IN COL. 2 OF SCHEDULE 11 FOR THE TEST YEAR ENDED DECEMBER 31, 2020 (IN THOUSANDS)

ADJ STAFF	NUMBER COMPANY	ADJUSTMENT	STAFF	Distribution COMPANY	DIFFERENCE
ET-30	ET-25	Adjust Taxes for Domestic Production Activities Deduction	-	-	
ET-31	ET-26	Interest Synchronization	583	675	(92)
ET-32	ET-27	State Income Tax Effect of Adjustments	(1,170)	496	(1,666)
		TOTAL ADJUSTMENTS TO STATE INCOME TAXES	(618)	1,131	(1,749)
ET-33	ET-28	TAXES OTHER THAN INCOME ADJUSTMENTS Amortize Organizational Design Initiativo Costs Against Savings	-	-	-
		TOTAL ADJUSTMENTS TO TAXES OTHER THAN INCOME TAXES	•	-	•
ET-34	ET-20	GAIN ON PROPERTY DISPOSITION ADJUSTMENTS GRANLOSS on Disposition of Property	71	(134)	205
		TOTAL ADJUSTMENTS TO GAIN/LOSS ON DISPOSITION OF PROPERTY	71	(134)	205
		NET OPERATING INCOME	(13,858)	7,419	(21,277)
		Adjusted Operating Income Adjustments			
ET-35	ÉT-30	<u>Charitable Donations</u> Elimination of Charitable Donations	(1,373)	(1,373)	
ET-36	ET-31	Interest on Customer Reposits Reallocation of Retail Customer Costs	354	354	-
		Total Adjusted Operating Income Adjustments	(1,019)	(1,019)	
		ADJUSTED OPERATING INCOME	(12,839)	8,438	(21,277)
		L028:			
ET-37	ET-32	INTEREST EXPENSE ADJUSTMENTS Refloct Interest Expense Using End-of-Period Cost of Capital Statement	840	(758)	1,598
ET-38	ET-33	PREFERRED DIVIDENDS ADJUSTMENTS Reflect Preferred Dividends Using End-of-Period Cost of Capital Statement			
ET-39	ET-34	ITC CAPITAL EXPENSE ADJUSTMENTS Refloct ITC Exponses Using End-of-Period Cost of Capital Statement	1,818	1,769	29
		INCOME AVAILABLE FOR COMMON EQUITY	(15,497)	7,408	(22,904)
		RATE BASE ADJUSTMENTS			
		ALLOWANCE FOR WORKING CAPITAL ADJUSTMENTS			
ET-40	ET-35	Reallocation of Retail Customer Costs	1,089	1,089	•
ET-41	ET-36	Cash Working Capital Adjustment	(16,902)	(20,040)	3,138
ET-42	ET-37	Eliminate the Effects of Nuclear Related Asset Retirement Obligation (ARO)	-	-	•
ET-43	ET-38	Customer Refund Adjustment	•	•	-
ET-44	ET-39	Eliminate Customer Credit Reinvestment Offset Reserve	•	•	•
		TOTAL ADJUSTMENTS TO ALLOWANCE FOR WORKING CAPITAL	(15,813)	(18,951)	3,138
ET-45	ET-40	ELECTRIC PLANT IN SERVICE ADJUSTMENTS Eliminate the Effects of Nuclear Related Asset Retirement Obligation (ARO)	-	•	•
ET-46	ET-41	Eliminate Copitalized AFUDC	(1,109)	(1,109)	•
ET-47	N/A	To include the Unamonized Balance of Asset Impairments Subject to § 56-585.1 E in Rate Base	•	•	•
ET-47.5	N/A	To include Unamortized Balanco of Section A 8 Expense in Rate Base	103,005	•	103,005
		TOTAL ADJUSTMENTS TO UTILITY PLANT IN SERVICE	101,896	(1,109)	103,005
ET-48	ET-42	PLANT HELD FOR FUTURE USE ADJUSTMENTS  Eliminate Plant Held for Future Use	(298)	(298)	_
		TOTAL ADJUSTMENTS TO PLANT HELD FOR FUTURE USE	(298)	(298)	
ET-49	ET-43	ACCUMULATED DEPRECIATION AND AMORTIZATION ADJUSTMENTS  Eliminate the Effects of Nuclear Related Asset Retirement Obligation (ARO)	•		
ET-50	ET-44	Eliminate Capitalized AFUDC	(340)	(940)	
		TOTAL ADJUSTMENTS TO ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION	(340)	(340)	
		TOTAL NET UTILITY PLANT ADJUSTMENTS	101,939	(1,065)	103,005
		OTHER RATE BASE DEDUCTIONS ADJUSTMENTS	47.004	47 004	
ET-51 ET-52	ET-45 ET-46	Reallocation of Retail Customer Costs  Eliminate the Effects of Nuclear Related Asset Retirement Obligation (ARO)	17,864	17,864	•
ET-53	N/A	Adjustment to Include the 13 Month Average ADIT Associated with the Impaired Generating Units	-		-
ET-53.5	N/A	To Include ADIT of Unamortized Balance of Section A 8 Expense in Rete Base	26,296		26,296
22.0		TOTAL ADJUSTMENTS TO OTHER RATE BASE DEDUCTIONS	44,160	17,864	26,296
		COMMON EQUITY CAPITAL ADJUSTMENTS		,	
ET-54	N/A	To adjust common equity capital for change in rate base	21,747	-	21,747
		TOTAL ADJUSTMENTS TO COMMON EQUITY CAPITAL	21,747		21,747

## SUPPLEMENTAL STAFF TESTIMONY OF PATRICK W. CARR

#### VIRGINIA ELECTRIC AND POWER COMPANY

#### CASE NO. PUR-2021-00058 OCTOBER 13, 2021

l	Q.	PLEASE STATE YOUR NAME AND THE POSITION YOU HOLD WITH
2		THE STATE CORPORATION COMMISSION ("COMMISSION").
3	A.	My name is Patrick W. Carr, and I am a Deputy Director with the Commission's
4		Division of Utility Accounting and Finance.
5	Q.	PLEASE STATE THE PURPOSE OF YOUR SUPPLEMENTAL
6		TESTIMONY AND SUMMARIZE YOUR RECOMMENDATIONS.
7	A.	My supplemental testimony addresses certain revisions to my prefiled direct
8		testimony after reviewing the rebuttal testimony of Virginia Electric and Power
9		Company d/b/a Dominion Energy Virginia ("Company" or "DEV") in this triennial
10		review proceeding. Specifically, I revise Staff's refund recommendation to an
11		amount of \$310.3 and revise certain accounting adjustments.
		Staff's Earnings Test Results and Resulting Recommendations

- 12 Q. PLEASE EXPLAIN STAFF'S RECOMMENDATIONS RESULTING FROM
- 13 ITS SUPPLEMENTAL EARNINGS TEST RESULTS AND APPLICABLE
- 14 CODE PROVISIONS.

<sup>&</sup>lt;sup>1</sup> In addition, Supplemental Appendix A to my testimony provides supplemental information relevant to public comments received on July 22, 2021 in this proceeding.

As discussed further by Staff witness Long's supplemental testimony, Staff's analysis indicates the Company earned a 13.60% return on equity ("ROE") during the 2017 through 2020 earnings test period. This is 440 basis points of earnings, or \$1.14 billion of revenues, above the applicable fair combined ROE of 9.2%. As compared to the 9.9% top of the statutory range, there are \$958.4 million in excess revenues. After 2020 customer arrearage forgiveness of \$206.3 million, \$752.1 million remains available for Customer Credit Reinvestment Offset ("CCRO") and/or customer refunds.

A.

The Company had \$308.8 million of CCRO-eligible investment as of December 31, 2020, the end of the earnings test period. Since this amount is less than the \$752.1 million of available revenues, Staff recommends that all of this investment be designated as CCRO. After applying \$308.8 million of excess revenue to CCRO, \$443.3 million remains available for customer refunds.

Further, as revised, Staff recommends the Commission direct customer refunds of \$310.3 million (i.e., 70% of the remaining available revenues of \$443.3 million) as provided for by Section A 8.

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	Amount (in millions)
Excess Revenues Above 9.9% ROE	\$958.4
Less: Arrearage Forgiveness	\$206.3
Available for CCRO and/or Refund	\$752.1
Less: CCRO	\$308.8
Remaining	\$443.3
Less: Refunds (70% of Remaining)	\$310.3
Retained by DEV (30% of Remaining)	\$133.0

#### Staff's Rate Year Results and Resulting Recommendations

- 2 Q. PLEASE EXPLAIN STAFF'S REVISED RECOMMENDATIONS
- 3 RESULTING FROM ITS SUPPLEMENTAL RATE YEAR ANALYSIS AND
- 4 APPLICABLE CODE PROVISIONS.
- 5 A. As discussed further by Staff witness Mattox's supplemental testimony, Staff's
- analysis indicates a Rate Year ROE of 11.16%. This is 246 basis points, or \$178.1
- 7 million on a revenue requirement basis, above the fair combined ROE of 8.7%
- 8 recommended by Staff witness Pippert.
  - Since \$178.1 million exceeds the statutory maximum of a \$50 million rate
- reduction, Staff recommends a \$50 million rate reduction.

<sup>&</sup>lt;sup>2</sup> Code § 56-585.1 A 8 c.

#### These Rate Year results and recommendations are summarized below:

	Amount (in millions)
Rate Year Revenue Sufficiency	\$178.1
Rate Reduction	\$50.0
Remaining Revenue Sufficiency	\$128.1

#### Revised Generation Unit Impairment Accounting Adjustments

- 2 Q. PLEASE EXPLAIN STAFF'S REVISIONS TO ITS ASSET IMPAIRMENT
- 3 ACCOUNTING ADJUSTMENTS.

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- 4 A. Staff has revised several earnings test adjustments resulting from its recommended
- 5 25-year amortization period.<sup>3</sup> Staff's adjustments presented in prefiled direct
- 6 testimony began amortization in April of each year. In rebuttal, Company witness
- 7 Ingram points out that Staff's amortizations should start in March, and I agree.
- 8 Company witness Ingram also provided revisions to the jurisdictional factors used
- by Staff in his rebuttal, and I concur with these as well. The revised adjustments
- 10 are summarized below:4

<sup>&</sup>lt;sup>3</sup> My prefiled direct testimony discusses Staff's recommended 25-year amortization period for the Company's asset impairment charges, and Staff continues to recommend this.

<sup>&</sup>lt;sup>4</sup> Staff witness Weatherford sponsors the related earnings test adjustments to Accumulated Deferred Income Taxes ("ADIT").

Earnings Test Adjustments	2019 Amount (in 000s)	2020 Amount (in 000s)	Total Amount (in 000s)
ET-20 Include Test Year Amortization Expense of Asset Impairments	\$9,265	\$32,592	\$41,857
ET-47 Include Test Year Unamortized Asset Impairments	\$209,895	\$749,588	\$959,484

Staff similarly made Rate Year adjustments to include a Rate Year level of amortization expense and rate base associated with Staff's amortization recommendation. These revised adjustments I sponsor are summarized below:<sup>5</sup>

Rate Year Adjustments	Rate Year Amount (in 000s)
RM-34 Include Rate Year Amortization Expense of Asset Impairments	\$36,886
RM-46 Include Rate Year Unamortized Asset Impairments	\$824,973

#### 4 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

5 A. Yes, it does.

<sup>&</sup>lt;sup>5</sup> Staff witness Weatherford sponsors the related Rate Year adjustment to ADIT.

#### SUPPLEMENTAL APPENDIX A

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Public comments in this proceeding were received on July 22, 2021, from 18 members of the Virginia General Assembly. Staff provides certain additional analyses as described below. If Code § 56-585.1 A 8 did not require certain costs to be recognized as period expenses, 6 those costs could be amortized over a period of time for regulatory accounting purposes. For example, in this proceeding, certain automated meter reading ("AMR") equipment impairments, severe weather costs, and coal combustion residual ("CCR") costs could be amortized over a period such as five years rather than recognized as period expenses during the Triennial Period. If amortized in that way, the Company's Triennial Period earnings, based on Staff's supplemental analysis, would be a 13.87% ROE and would result in \$1.216 billion of excess revenue above the applicable fair combined ROE of 9.2%. The Code provides for the treatment of excess revenue, including (i) offset of CCROs, if applicable, and (ii) customer refunds of 70% of remaining excess revenues. If, instead, the Code provided for refunds of 100% of revenues in excess of a 9.9% ROE, less customer arrearage forgiveness, a customer refund of \$827.8 million would result.<sup>7</sup> Staff notes that, as described by Staff witness Pippert, Staff's recommended 8.7%

ROE was not impacted by the Code's statutory peer group floor requirements, as it was

<sup>&</sup>lt;sup>6</sup> These include "costs associated with asset impairments related to ... automated meter reading electric distribution service meters; costs associated with projects necessary to comply with state or federal environmental laws, regulations, or judicial or administrative orders relating to coal combustion by-product management that the utility does not petition to recover through a rate adjustment clause pursuant to subdivision 5 e; costs associated with severe weather events; and costs associated with natural disasters." See Code § 56-585.1 A 8.

<sup>&</sup>lt;sup>7</sup> This is equal to \$1.034 billion of revenue in excess of a 9.9% ROE less \$206.3 million of customer arrearage forgiveness.

- above the 8.67% floor. Thus, the statutory floor did not impact Staff's going-forward
- 2 revenue sufficiency calculation of \$178.1 million.

#### SUPPLEMENTAL APPENDIX B

2 Workpapers

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Exhibit No: \_\_\_\_\_ Witness: Corr Statement I (Supp)

#### DOMINION ENERGY VIRGINIA 2021 Trionnial Review

## Schedule of Temporary Bill Credits and Customer Credit Reinvestment Offsets (CCRO) Pursuant to Va. Code § 56-585.1 A 8 (Thousands of Dollars)

Line No.		otes	Amount
1	Earned return on equity (ROE) for the combined test periods [No	te 1]	13.60%
2	Authorized ROE plus 70 basis point band		9.90%
3	Eamings available for sharing (%)	te 2)	3,70%
4	Common equity rate base for the combined test periods [No	te 3) \$	19,274,788
5		x Line 4] S	713,750
8		te 4)	1,34
7		x Line 6] \$	958,426
8	Less:		
9	Forgiveness of customer accounts in arrears as of 9/30/2020 [No	te 5]	(130,423)
10		te 6]	(75,911)
11		e 9 + Line 10] \$	752,092
12	Less: CCRO projects	s	308,833
13	Revenue Available for Refunds Line 11	- Line 12 \$	443,259
14	70% customer sharing factor		
15	Revenue available for temporary bill credits	3 x 70% \$	310,282

[Note 1]: Staff Witness Long Supplemental Statement I, Line 33

[Note 3]: Line 1 - Line 2.
[Note 3]: Staff Witness Long Supplemental Statement I, Line 31
[Note 4]: 1 / (1 - 2020 income tax rate)
[Note 5]: Customer errears forgiven and applied against earnings pursuant to HB 5005
[Note 6]: Customer errears forgiven and applied against earnings pursuant to HB 1800

Exhibit No:

Witness: Car

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#### DOMINION ENERGY VIRGINIA 2021 Triennial Review

#### Schedule of Temporary Bill Credits and Customer Credit Reinvestment Offsets (CCRO) Pursuant to Va. Code § 56-585.1 A 8

(Thousands of Dollars)

Line No.	Description	Notes	 Amount
1	Earned return on equity (ROE) for the combined test periods	[Note 1]	13.87%
2	Authorized ROE plus 70 basis point band	•	9.90%
3	Earnings available for sharing (%)	[Note 2]	3.97%
4	Common equity rate base for the combined test periods	[Note 3]	\$ 19,375,153
5	Earnings available for sharing (\$)	[Line 3 x Line 4]	\$ 770,122
6	Income tax gross-up factor	[Note 4]	1,34
7	Revenue available for sharing	[Line 5 x Line 6]	\$ 1,034,123
8	Less:	•	
9	Forgiveness of customer accounts in arrears as of 9/30/2020	[Note 5]	(130,423)
10	Forgiveness of customer accounts in arrears as of 12/31/2020	[Note 6]	(75,911)
11	Revenue available for sharing	[Line 7 + Line 9 + Line 10]	\$ 827,789

[Note 1]: APPENDIX A CALCULATIONS (SUPP), COMBINED 2017-2020 EARNINGS TEST RESULTS, Line 33

[Note 2]: Line 1 - Line 2.

Note 31: APPENDIX A CALCULATIONS (SUPP), COMBINED 2017-2020 EARNINGS TEST RESULTS, Line 31

[Note 4]: 1 / (1 - 2020 income tax rate)

[Note 5]: Customer arrears forgiven and applied against earnings pursuant to HB 5005

[Note 6]: Customer arrears forgiven and applied against earnings pursuant to HB 1800

		LOL 3 01 3CH. 11 - 2017	COL 3 01 3CH. 11 - 2016	COL 3 OF SCIP, 11 - 1013	COC. 2 of 3011, 11 - 404.0	(2).(2).(3).(4).
왕						
- 7	OPERATING REVENUE BASE RATES AND 58-585.1 A4, A5, AND A8 RACS	3,138,459	3,055,855	3,096,394	2,802,123	12,182,531
en •	FUEL FACTOR	1,412,569	1,755,193	1,760,012	EE9,185,1	6,189,806
• •	LATE PATMENT FEES MISCELLANEOUS	78,441	869,67	59,654	88,88	378,71¢
•	TOTAL OPERATING REVENUES	4,648,110	4,910,149	4,815,834	4,265,814	700,187,81
-	OPERATING REVENUE DEDUCTIONS					•
<b></b>	OPERATION & MAINTENANCE EXPENSE DEPRECIATION & AMORTIZATION	2,484,557	3,061,314	2,917,466	2,319,762	10,763,128
2 ;	FEDERAL INCOME TAXES	355,402	132,416	147,982	146,639	782,819
: 22 :	TAKES OTHER THAN INCOME TAKES	164,233	163,606	173,125	167,259	668,423
2	CANIMICASS ON DISTORING OF PROPERTY		OFF.	(0) (1)	101111	155571
Ŧ	TOTAL OPERATING REVENUE DEDUCTIONS	3,767,643	4,028,165	4,118,776	3,357,473	15,272,057
15	<u>OPERATING INCOME</u>	880,466	881,984	817,158	908,341	3,488,950
		!		•	•	
9 1	PLUS: AFUDC LESS: CHARITABLE DONATIONS	Els 0	(SE)		o (5	
<b>5</b> 5	INTEREST EXPENSE ON CUSTOMER DEPOSITS OTHER INTEREST EXPENSE/(INCOME)	1,090	1,823	3,143	1,334	3,368
8	<u>ADJUSTED OPERATING INCOME</u>	679,689	756,878	812,872	905,730	3,477,248
	1	•	•	•	•	•
2 2	F.SS:	195,088	162,281	183,358	184,970	910,087
ជន	PREFERRED OMIDENDS ITC CAPITAL EXPENSE	1,355	1,298	2,721	9,595,E	696'8
22	INCOME AVAILABLE FOR COMMON EQUITY	682,246	682,069	616,783	591,165	2,688,263
		!				
<b>%</b> ₽	ALLOWANCE FOR WORKING CAPITAL PLUS: NET UTILITY PLANT	227,125	320,341	209,297	232,816 12,185,023	47,053,438
83	LESS:	2,584,902	2,859,455	2,605,415	2,677,439	10,527,211
8	IOTAL AVERAGE RATE BASE	8,126,252	9,246,327	9,402,824	8,740,401	37,515,804
Я	TOTAL AVERAGE CAPITAL	8,128,252	9,248,327	9,402,824	9,740,401	37,515,804
ë	AVERAGE COMMON EQUITY CAPITAL	4,701,492	4,730,516	4,885,716	5,047,430	18,375,153
88	% RATE OF RETURN EARNED ON AVG. RATE BASE % RATE OF RETURN EARNED ON AVG. COMMON EO.	854%	9.51%	8.54%	9.30% #14,01%	8.27% 13.67%

Exhibit No: Wilkess: Cerr APPENDIX A CALCULATIONS (SUPP)

(Col.3)
Combined Virginia Auria.
Cost of Service
After Adjustments
Col. (1)-(2)-(3)-(4)

(CoLA)
2020 Virginia Juris.
Cost of Service
After Adjustments
Col. 3 of 9ch. 11 - 2020

(Col.3)
2018 Vinginia Juris.
Cost of Service
After Adjustments
Col. 3 of Sch. 11 - 2019

(Col.2)
2018 Virginia Juris.
Cost of Service
After Adjustments
Col. 3 of Sch. 11 - 2018

(Col.)
2017 Virginta Juria.
Cost of Service
After Adjustments
Col. 3 of Sch. 11 - 2017

DOMINION ENERGY VIRGINIA
RATE OF RETURN STATEMENT -EARNINGS TEST
COMBINED 2017-2020 EARNINGS TEST RESULTE
GENERATION AND DISTRIBUTION
FOR THE TREININGS PEROD ENIDED 123-16020
USING THEREEN MONTH AVERAGE RATE BASE AND COMMON EQUITY
(IN THOLISANDS)

Appendix B Page 3

	(Col.1) 2017 Virginia Juris. Cost of Service After Adjustments Col. 3 of Seh. 11 - 2017	(CoL2) 2018 Virginia Juría. Cost of Service After Adjustmenta Col. 3 of Serv. 11 - 2018	(Cot.3) 2019 Virginia Juris. Cost of Service After Adjustments Cot. 3 of Serv. 11 - 2019	(Col.4) 2020 Virgitis Juris. Cost of Service After Adjustments Col. 3 of Ser. 11 - 2020	(CoLS) Contbined Virginia Juris. Cost of Service After Adjustments Col. (19472)-[3]-(4)
QPERATING REVENUE BASE RATES AND 56-585.1 A4, A5, AND A8 RACS FUEL FATOR LATE PAYMENT FEES MISCELLANEOUS	2,075,884 1,412,669 12,353 67,112	2,034,408 1,755,180 14,068 54,369	2,042,692 1,760,012 13,836 34,536	1,824.970 1,251,833 2,539 76,844	7,588,054 6,189,006 42,883 222,831
TOTAL OPERATING REVENUES	3,568,177	3,858,038	3,851,078	3,176,382	14,453,673
OPERATING REVENUE DEDUCTIONS OPERATION & MAINTENANCE EXPENSE DEPRECATION & AMORTIZATION FEDERAL INCOME TAKES STATE INCOME TAKES TAKES OTHER THAN INCOME TAXES (CANNALOSS ON DISPOSITION OF PROPERTY	2.186,141 333,906 255,805 59,443 91,413 (42)	2,681,327 271,262 127,611 48,009 88,009 (431)	2,644,787 312,186 141,669 42,733 92,133	1,988,998 228,683 1725,311 83,005 86,105 (059)	9,509,230 1,208,067 651,308 214,308 356,050
TOTAL OPERATING REVENUE DEDUCTIONS	2,956,484	3,214,604	3,232,652	2,530,954	11,804,694
<u>operating income</u>	611,693	643,434	618,425	645,428	2,518,980
PLUS: AFUDC LESS: CHARITABLE DONATIONS INTEREST EXPENSE ON CUSTOMER DEPOSITS OTHER INTEREST EXPENSE(INCOME)	313 (0) 787	(315) 0 1,321 888	0 0 2,210 738	0 (0) 1,474 815	(3) 0 5,772 5,118
<u>ADJUSTED OPERATING INCOME</u>	611,238	641,232	615,478	643,139	2,511,088
PLUS: OTHER INCOME(EXPENSE) LESS: NITEREST EXPENSE-BOOKED REFERRED DIVIDENDS ITC CAPITAL EXPENSE	0 477,001 0 717	0 101,474 0 673	0 87,623 0 1,374	0 86,360 0 1777,1	0 399,231 0 0 4,541
INCOME AVAILABLE FOR COMMON EQUITY	141,905	980'629	516,482	545,002	2,107,316
ALLOWANCE FOR WORKUNG CAPITAL PLUS: NET UTILITY PLANT LESS: OTHER RATE BASE DEDUCTIONS	250,631 5,831,934 1,252,743	381,649 5,715,855 1,300,453	264,085 5,710,873 1,227,903	262,885 5,831,994 1,280,858	1,159,250 22,080,647 5,081,958
TOTAL AVERAGE RATE BASS	4,829,621	4,797,051	4,747,055	4,814,012	18,187,939
TOTAL AVERAGE CAMTAL	4,829,821	4,707,051	4,747,055	4,814,012	18,187,939
AVERAGE COMMON EQUITY CAPITAL	2,488,157	2,454,221	2,471,822	2,494,598	9,808,578
% RATE OF RETURN EARWED ON ANG. RATE BASE % RATE OF RETURN EARWED ON ANG. COMMON EO.	12.65% 20.37%	13.37% 21.97%	12.97% 20.90%	13.36% 21.85%	13.09% 21.27%

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Exhbit No: Withess: Cerr APPENDIX A CALCULATIONS (SUPP)

DOMINION ENERGY VRGINIA
RATE OF RETURN STATEMENT SEARININGS TEST
COMBINED 2017-2020 EARWINGS TEST RESULTS
GENERATION
FOR THE TRIEMINAL PERIOD ENDED 1221/2020
USING THEREIN MONTH AVERAGE RATE BASE AND COMMON EQUITY
(IN THOUSANDS)

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		RATE OF RI COMENCED FOR THE T LISMG THRTEEN MON	DOMINON ENERGY VRCINA RATE OF RETURN STATEMENT EARINAGS TEST COMBINED 2017-2020 EARINAGS TEST RESULTS COMBINED 2017-2020 EARINAGS TEST RESULTS FOR THE TRIEMMAL PERSOD ENDED 1231/2020 USING THRTEEN MONTH AVERAGE RATE BASE AND COMMON EQUITY (IN THOUSANDS)	s S MON ECUTY	APPI	APPENUK A CALCULATIONS (SUPP)
		(Cos.1) 2017 Vrighis Juria. Cost of Service After Adjustments Cos.1 at Sec. 11. 2017	(CoL2) 2018 Virginia Juria. Cest of Service After Adjuseranta CoL 3 of Sch. 11 - 2018	(Cod.3) 2019 Virginia Junta. Cost of Service After Adjustments Cot. 3 of Set. 11 - 2019	(CoL4) 2020 Virginia Jurís. Cost of Service After Adjustments Col. 3 of Sep. 11 - 2020	(Col.5) Combined Virginia Juris. Cost of Service After Adjustments Col. (17:C7+(3)+(4)
S C						
- 0 5	<u>Operating Revenue</u> Base rates and ssaus; M. As, and as racs Bid factor	1,062,475	1,021,247	1,053,702	1,087,153	775,405,4
4.0	LATE PAYMENT FESS HISCELLANEOUS	5,189	5,335 25,529	5,838 25,317	1,437	17,798 84,957
9	TOTAL OPERATING REVENUES	1,079,933	1,052,111	1,084,858	1,090,431	4,207,333
-	OPERATING REVENDE DEDICTIONS	9	660 514	603 656	207 554	Coarea
	OPERATION & MANTENANCE EXPENSE  OPPRECATION & AMORTIZATION	320,133	35,255	510,028	382,785 383,527 20,528	1,549,043
9 = 9	FEDERAL INCOME TAKES STATE INCOME TAKES	187,826 18,856	18,135	15,791	87,43 871,8	650'19 850'19
2 2	I ARES OTHER THAN INCOME TAKES (GAIN)LOSS ON DISPOSITION OF PROPERTY	38	186,11	340	(199)	(502)
Z	TOTAL OPERATING REVENUE DEDUCTIONS	811,160	813,561	886,125	826,518	3,337,364
55	OPERATING INCOME	288,773	238,550	188,734	263,913	969,970
5	PLUS: AFUDC	0		0	•	•
<u>,</u> 22 €	LESS: CHARITABLE DONATIONS INTEREST EXPENSE ON CLISTOMER DEPOSITS OTHER INTEREST EXPENSE(INCOME)	323 0	(0) 501 324	0 833 408	0 803 518	2,560 1,250
2	ADJUSTED OPERATING INCOME	268,451	257,725	197,393	262,591	091'998
7	BITS OTHER INFORMATION TO BE INC.	c	•	c	•	a
នន	LESS: INTEREST EXPENSE-BOOKED DESCRIPTION OF THE PROPERTY OF T	92,314	94,117	95,745	98,610	380,788
7.5	TIC CAPITAL EVENSE	638	825	1,347	1,818	4,428
52	INCOME AVALABLE FOR COMMON EQUITY	175,499	142,983	106,001	162,164	580,946
38	- 3	(23,508)	(61,308)	(54,788)	(30,069)	(07.891)
<b>39</b>	PLDS: NET UTILITY PLANT LESS: OTHER RATE BASE DEDUCTIONS	1,332,159	/oc.360,c	113/2/21	1,398,581	5,465,264
52	IQIAL AVERAGE RATE BASE	4,296,430	4,449,276	4,655,769	4,826,389	18,327,865
ខ្ព	TOTAL AVERAGE CAPITAL	4,295,430	4,449,278	4,655,789	4,926,389	18,327,865
=	AVERAGE CONMON EQUITY CAPITAL	2,213,355	2,276,298	2,424,093	2,552,832	9,466,575
22	% rate of return earded on ano. Rate base % rate of return earned on ang. Common eq.	8,25% 7,53%	5,34% 6.28%	4.24%	5.33% 6.35%	5.27% 6.14%

Appendix B Page 5

Estibit No: Witness: Carr Witness: Carr APPENDIX A CALCULATIONS (SUPP)

Appendix B Page 6

Exhibit No: \_\_\_\_\_ Witness: Carr APPENDIX A CALCULATIONS (SUPP)

# DOMINION ENERGY VIRGINIA RATE OF RETURN STATEMENT - EARNINGS TEST ADJUSTED TO A REGULATORY ACCOUNTING BASIS - GENERATION AND DISTRIBUTION FOR THE TEST YEAR ENDED DECEMBER 31, 2019 USING THIRTEEN MONTH AVERAGE RATE BASE AND COMMON EQUITY (IN THOUSANDS)

(1) (2) (3)

Virginia Per Books Regulatory Jurisdictional LINE Virginia Juris. Accounting Cost of Service NO. Cost of Service <u>Adiustments</u> after Adjustments (1)+(2)**OPERATING REVENUE** BASE RATES AND 56-585.1 A4, A5, AND A6 RACS 3,128,308 (31,913)3,096,394 1,760,012 **FUEL FACTOR** 1,760,012 3 0 LATE PAYMENT FEES 17,396 2.279 19 675 5 **MISCELLANEOUS** 59,931 (78)59,854 TOTAL OPERATING REVENUES 4,935,934 4.965.646 (29,712)6 7 **OPERATING REVENUE DEDUCTIONS OPERATION & MAINTENANCE EXPENSE** 3,080,770 (163,304) 2,917,468 **DEPRECIATION & AMORTIZATION** 1,035,426 (213,212) 822,214 10 FEDERAL INCOME TAXES 70,646 77.316 147,962 STATE INCOME TAXES 11 36.437 22.087 58.524 TAXES OTHER THAN INCOME TAXES 173 125 12 173,125 О (GAIN)/LOSS ON DISPOSITION OF PROPERTY (516)(541)26 14 TOTAL OPERATING REVENUE DEDUCTIONS 4,118,776 4,395,863 (277,087)15 OPERATING INCOME 247,375 817,158 569,783 PLUS: AFUDC 0 16 0 0 LESS: CHARITABLE DONATIONS 7,991 17 (7,991)O INTEREST EXPENSE ON CUSTOMER DEPOSITS 18 2.779 364 3,143 OTHER INTEREST EXPENSE/(INCOME) 19 1 144 n 1 144 20 ADJUSTED OPERATING INCOME 557,870 255,002 812,872 21 PLUS: OTHER INCOME/(EXPENSE) 0 0 0 22 LESS: INTEREST EXPENSE-BOOKED 169,188 24,180 193,368 23 PREFERRED DIVIDENDS n n n 24 ITC CAPITAL EXPENSE n/a 2,721 25 INCOME AVAILABLE FOR COMMON EQUITY 388.682 616,783 228,101 ALLOWANCE FOR WORKING CAPITAL 26 (626, 164)835.462 209.297 PLUS: NET UTILITY PLANT 27 11,332,860 466,082 11,798,942 LESS: OTHER RATE BASE DEDUCTIONS 28 2,479,655 125,759 2,605,415 29 TOTAL AVERAGE RATE BASE 8,227,040 1,175,784 9,402,824 30 TOTAL AVERAGE CAPITAL 8,227,040 1,175,784 9,402,824 31 AVERAGE COMMON EQUITY CAPITAL 4,283,527 612,189 4,895,716 % RATE OF RETURN EARNED ON AVG. RATE BASE 6.78% 8.64% % RATE OF RETURN EARNED ON AVG. COMMON EQ. 9.07% 12.60%

Exhibit No: \_\_\_\_\_ Witness: Carr APPENDIX A CALCULATIONS (SUPP)

# DOMINION ENERGY VIRGINIA RATE OF RETURN STATEMENT - EARNINGS TEST ADJUSTED TO A REGULATORY ACCOUNTING BASIS - GENERATION FOR THE TEST YEAR ENDED DECEMBER 31, 2019 USING THIRTEEN MONTH AVERAGE RATE BASE AND COMMON EQUITY (IN THOUSANDS)

(1) (2) (3)

LINE NO.		Per Books Virginia Juris. Cost of Service	Regulatory Accounting Adjustments	Virginia Jurisdictional Cost of Service after Adjustments (1)+(2)
1 2	OPERATING REVENUE	2,067,488	(24,796)	2,042,692
3	BASE RATES AND 56-585.1 A4, A5, AND A6 RACS FUEL FACTOR	1,760,012	(24,750)	1,760,012
4	LATE PAYMENT FEES	13,838	ŏ	13,836
5	MISCELLANEOUS	34,614	(78)	34,536
6	<u>IOTAL OPERATING REVENUES</u>	3,875,950	(24,874)	3,851,076
7	OPERATING REVENUE DEDUCTIONS		4.5.4.4	
8 9	OPERATION & MAINTENANCE EXPENSE	2,660,631	(15,844)	2,644,787
10	DEPRECIATION & AMORTIZATION FEDERAL INCOME TAXES	554,811 88,949	(242,625) 52,720	312,186 141,669
11	STATE INCOME TAXES	27,784	14,950	42,733
12	TAXES OTHER THAN INCOME TAXES	92,133	0	92,133
13	(GAIN)/LOSS ON DISPOSITION OF PROPERTY	(872)	16	(856)
14	IOTAL OPERATING REVENUE DEDUCTIONS	3,423,435	(190,783)	3,232,652
15	OPERATING INCOME	452,515	165,910	618,425
16	PLUS: AFUDC	0	0	0
17 18	LESS: CHARITABLE DONATIONS	7,095	(7,095)	0
19	INTEREST EXPENSE ON CUSTOMER DEPOSITS OTHER INTEREST EXPENSE/(INCOME)	2,210 736	0	2,210 
20	ADJUSTED OPERATING INCOME	442,473	173,005	615,478
21	PLUS: OTHER INCOME/(EXPENSE)	0	0	0
22	LESS: INTEREST EXPENSE-BOOKED	74,530	23,092	97,623
23	PREFERRED DIVIDENDS	0	0	_0
24	ITC CAPITAL EXPENSE	n/a	1,374	1,374
25	INCOME AVAILABLE FOR COMMON EQUITY	367,943	148,539	516,482
26	ALLOWANCE FOR WORKING CAPITAL	(602,548)	866,632	264,085
27	PLUS: NET UTILITY PLANT	5,376,108	334,765	5,710,873
28	LESS: OTHER RATE BASE DEDUCTIONS	1,149,402	78,501	1,227,903
29	TOTAL AVERAGE RATE BASE	3,624,158	1,122,896	4,747,055
30	TOTAL AVERAGE CAPITAL	3,624,158	1,122,896	4,747,055
31	AVERAGE COMMON EQUITY CAPITAL	1,886,970	584,652	2,471,822
32 33	% RATE OF RETURN EARNED ON AVG. RATE BASE % RATE OF RETURN EARNED ON AVG. COMMON EQ.	12.21% 19.50%		12.97% 20.90%
	The state of the state of the office of the state of the	.5.5676		20.5070

Exhibit No: \_\_\_\_\_ Witness: Carr APPENDIX A CALCULATIONS (SUPP)

# DOMINION ENERGY VIRGINIA RATE OF RETURN STATEMENT - EARNINGS TEST ADJUSTED TO A REGULATORY ACCOUNTING BASIS - DISTRIBUTION FOR THE TEST YEAR ENDED DECEMBER 31, 2019 USING THIRTEEN MONTH AVERAGE RATE BASE AND COMMON EQUITY (IN THOUSANDS)

(1) (2) (3)

		1.7	<b>\-</b> /	(-,
LINE NO.		Per Books Virginia Juris. Cost of Service	Regulatory Accounting Adjustments	Virginia Jurisdictional Cost of Service after Adjustments (1)+(2)
1	OPERATING REVENUE			4 050 700
2	BASE RATES AND 56-585.1 A4, A5, AND A6 RACS	1,060,819	(7,117)	1,053,702
3 4	FUEL FACTOR LATE PAYMENT FEES	0 3,560	2,279	5,839
5	MISCELLANEOUS	25,317	2,275	25,317
	-			
6	TOTAL OPERATING REVENUES	1,089,696	(4,838)	1,084,858
7	OPERATING REVENUE DEDUCTIONS			
8	OPERATION & MAINTENANCE EXPENSE	420,139	(147,459)	272,680
9	DEPRECIATION & AMORTIZATION	480,615	29,413	510,028
10	FEDERAL INCOME TAXES	(18,303)	24,595	6,293
11	STATE INCOME TAXES	8,653	7,138	15,791
12	TAXES OTHER THAN INCOME TAXES	80,993	0	80,993
13	(GAIN)/LOSS ON DISPOSITION OF PROPERTY	331	10	340_
14	TOTAL OPERATING REVENUE DEDUCTIONS	972,428	(86,304)	886,125
15	OPERATING INCOME	117,268	81,465	198,734
16	PLUS: AFUDC	0	0	o
17	LESS: CHARITABLE DONATIONS	895	(895)	0
18	INTEREST EXPENSE ON CUSTOMER DEPOSITS	569	364	933
19	OTHER INTEREST EXPENSE/(INCOME)	408	00	408
20	ADJUSTED OPERATING INCOME	115,397	81,997	197,393
21	PLUS: OTHER INCOME/(EXPENSE)	0	0	0
22	LESS: INTEREST EXPENSE-BOOKED	94,658	1,088	95,745
23	PREFERRED DIVIDENDS	0	. 0	0
24	ITC CAPITAL EXPENSE	n/a_	1,347	1,347
25	INCOME AVAILABLE FOR COMMON EQUITY	20,739	79,562	100,301
ne	ALLOWANCE FOR MORKING CARITAL	(22.047)	(24.474)	(54.700)
26 27	ALLOWANCE FOR WORKING CAPITAL PLUS: NET UTILITY PLANT	(23,617) 5,956,752	(31,171) 131,316	(54,788) 6,088,068
28	LESS: OTHER RATE BASE DEDUCTIONS	1,330,253	47,258	1,377,511
29	TOTAL AVERAGE RATE BASE	4,602,882	52,887	4,655,769
		,	- •	•••
30	TOTAL AVERAGE CAPITAL	4,602,882	52,887	4,655,769
31	AVERAGE COMMON EQUITY CAPITAL	2,396,557	27,537	2,424,093
32	% RATE OF RETURN EARNED ON AVG. RATE BASE	2.51%		4.24%
	% RATE OF RETURN EARNED ON AVG. COMMON EQ.	0.87%		4.14%

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Exhibit No: \_\_\_\_\_ Wilness: Carr APPENDIX A CALCULATIONS (SUPP)

## DOMINON ENERGY VIRGINA DETAIL OF REGULATORY ACCOUNTING ADJUSTMENTS - GENERATION AND DISTRIBUTION REFLECTED IN COL. 2 OF SCHEDULES 11 AND 14 FOR THE TEST YEAR ROBED DECEMBER 31, 2019 (IN THOUSANDS)

		(IN THOUSANDS)			
adj ni Stafe	umber Sompany	<u>edaustinent</u>	STAFF SUPP	Generation and Distribution COMPANY REBUTTAL	DIFFERENCE
		INCOME ADJUSTMENTS			
		OPERATING REVENUE ADJUSTMENTS			
		Style Rates and 68-583.1 A4. A3. and A6 RACS			
ET-1	EY-1	Curtomer Refund Adjustment	(1,125)	(1,125)	•
ET-1 SUPP	ET-1 SUPP	Revenue Correction	(30,789)	(30,769)	•
614	EL-3	Lato Parament Force Resiliocation of Resea Customer Costs	2,779	2,279	•
ET-3	ers	Miscolionoses Elimination of 25% of Qff-System Sales Margins	(76)	(78)	
ET-4	ET-4	Eliminate Rider Projects from Test Year Results		•	•
		TOTAL ADJUSTMENTS TO OPERATING REVENUE	(29,717)	(29,712)	•
		OPERATION AND MAINTENANCE EXPENSE ADJUSTMENTS			
ET-8	ET-S	Eliatration of Non-Conforming Advertising Exponses	(916)	(918)	0
टा-8	ET-8	Eliminate the Effect of Fuel Expenses from the COS	27,038	27,038	•
E1-7	ET-7	Restlocation of Retail Customer Costs	2,259	2,269	•
ET-0	ET-0	Reclass Certain Non-Operating Exponents	(870)	(870)	•
E1-8	ET-0	Amortize Organizational Design Instative Costs Against Savings			•
ET-1D	ET-10	Eliminote Incentive Plan Expenses in Excess of Target	(5,533)	(5,633)	-
ET-11	ET-11	Oceans Solor Charge for Birtheck Circuit	(66)	(86)	•
ET-12	ET-12	Eliminote Customer Arresre Forgivoness Costs		•	•
er.u	NIA	Elimination of VA Follower Audies: Amortization Cost	658	•	650
ET-14	ET-REB-1	Elimination of Lobbying Costs	(1,105)	(1,105)	0
ET-15	NA	To Remove 2019 Asset Impelments Subject to § 58-585.1 E From O&M Exponse	(29,685)	•	(29,685)
ET-15.8	NA	To Remove Section A 8 Paried Expenses from the Cost of Service	(155,065)	•	(155,085)
		TOTAL ADJUSTMENTS TO OPERATION & MAINTENANCE EXPENSE	(163,304)	20,807	(184,111)
		DEPRECIATION AND AMORTIZATION EXPENSE ADJUSTMENTS			
ET-16	ET-13	Eliminate the Effects of Nuclear Related Asset Retirement Obligation (ARO)	(4,927)	(4,927)	
ET-17	ET-14	Eliminate Capitatizad AFUDC	(291)	(291)	
ET-18	ET-15	Eliminata Customer Credit Rolmestment Other Reserva			
ET-19	NIA	To Remove 2019 Asset Impelmonts Subject to § 56-589, I E From Depreciation Expense	(249,278)		(248,275)
ET-20	NA	To Reflect Ameritastion of 2019 Asset Impairments Subject to § 56-585,1 B	9,265		9,253
NIA		Correct Nuclear Outlage Amortization		658	(658)
ET-20.8	NA	To Amortes Section A 8 Period Expenses Over Fire Years	31,017	•	31,017
		TOTAL ADJUSTMENTS TO DEPRECIATION AND AMORTIZATION	(213,212)	(4,580)	(208,651)
		FEDERAL INCOME TAXES		• • •	
ETG1	ET-18	Resilication of Rotali Customer Costa	(22)	(22)	
ET-22	ET-17	Eliminate the Effects of Nuclear Related Asset Retirement Obligation (ARO)	1,160	1,180	
ET-23	ET-18	Federal thoome Tax Expense Effect of ITC Dobt Component	(135)	(139)	0
ET-24	ET-19	Eliminate the Effect of FIN 48	•	•	
ET-25	£11-20	Actual Taxos for Demostic Production Activities Deduction			
ET-26	ET-3H	Intainess Bynchronization	8,726	9,702	(975)
EY-27		Federal Income Tax Effect of Adjustments	67,591	(10,151)	77,742
		TOTAL ADJUSTMENTS TO FEOERAL INCOME TAXES	77,316	550	76,768
		STATE INCOME TAXES			
ET-28	E1-57	State Income Tax Expense Effect of ITC Debt Component	(40)	(40)	٥
E1-29	ET-24	Eliminate the Effect of FIN 48	(40)	(-0)	
ET-30	ET-23	Adjust Taxes for Domestic Production Activities Deduction		•	
ET-31	ET-26	Pater at Synchronization	2,530	2,813	(285)
EL73	ET-27	State Income Tax Effect of Adjustments	19,508	(2943)	22,541
	C1-01	TOTAL ADJUSTMENTS TO STATE INCOME TAXES	22,087	(171)	22,258
		reing mesonimente to divite impose times	24,007	(ivi)	42,400

## DETAIL OF REGULATORY ACCOUNTING ADJUSTMENTS - GENERATION AND DISTRIBUTION REFLECTED IN COL. 2 OF SCHEDULES 11 AND 14 FOR THE TEST YEAR ENEED DECEMBER 31, 2019 (IN THOUSANDS)

ACU I	REBALIA YAA¶AQQ	ADJUSTMENT	STAFF SUPP	Generation and Distribution COMPANY REBUTTAL	DIFFERENCE
E1-30	ET-23	TAXES OTHER THAN INCOME ADJUSTMENTS Amorius Organizational Design Intitative Casus Against Soyings			-
		TOTAL ADJUSTMENTS TO TAXES OTHER THAN INCOME TAXES		•	
ETJA	ET-29	GAIN ON PROPERTY DISPOSITION ADJUSTMENTS GRINLOSS ON DESPOSITION OF PROPERTY	(25	(26)	
	4,144	TOTAL ADJUSTMENTS TO GAINLOSS ON DISPOSITION OF PROPERTY	(28		
		NET OPERATING INCOME	247,378	(46,364)	293,739
		Adjusted Operation Income Adjustments  Charlests Provides			•
ET-35	ET-30	Charitable Donations Elimination of Charitable Donations	(7,991	(7,991)	•
ET-38	ETOI	Interest on Customer Daposits Reallocation of Retail Customer Costs	364	364	
		Total Adjusted Operating Income Adjustments	(7,627	(7,637)	
		ADJUSTEO OPERATING INCOME	255,002	(38,737)	. 293, 739
		Love		•	
ET-37	ET-32	INTEREST EXPENSE ADJUSTMENTS Reflect Interest Expense Juling End-of-Period Cost of Capital Statement	24,180	19,248	4,033
		PROFERRED DIVIDENDS AD JUSTIMENTS		•	•
E1-78	ET-33	Reflect Preferred Dividends Using End-of-Period Cost of Capital Statement	•	•	•
ET-39	ET-34	ITC CAPITAL EXPENSE ACAUSTMENTE Refloct ITC Expenses Using End-of-Period Coul of Capital Statement	2,721	2,657	69
		INCOME AVAILABLE FOR COMMON EQUITY	228,101	(60,638)_	755,737
		rate base adjustments			
		ALLOWANCE FOR WORKING CARTAL AGAISTMENTS			
ET-40	ET-35	Residention of Retail Customer Costs	363	363	
ET-41	ET-35	Cesh Working Capital Adjustment	(83,518		(20,394)
ET-42	ET-37	Eliminate the Effects of Nuclear Related Asset Retirement Offigation (ARO)	918,831	918,631	•
ET-43	ET-38	Customer Retund Adjustment	(217	(לו <u>י</u> ג) נ	•
ET-44	ET-39	Elminsto Customer Crodi Reinvostment Other Roserve  TOTAL ADJUSTMENTS TO ALLOWANCE FOR WORKING CAPITAL	836,462	855,858	(20,394)
		ELECTRIC PLANT IN SERVICE ADJUSTMENTS	074,404	***************************************	(supper)
ET-45	ET-40	Eliminate the Effects of Nuclear Related Asset Retirement Obligation (ARO)	151,847	151,847	•
ET-48	ET-41	Eliminate Cooteltaeo AFUDC	(10,322	(10,322)	•
ET-47	N/A	To include the Unamoritized Balance of 2019 Assot Impolimenta Subject to § 66-563,1 E in Rate Bess	209,895	•	209,885
ET-47,8	NA	To Include Unamortized Balanco of Section A & Expense in Rate Base	139,578	•	139,578
		TOTAL ADJUSTMENTS TO UTILITY PLANT IN SERVICE	490,798	141,325	349,471
		PLANT HELD FOR FUTURE USE ADJUSTMENTS			
ET-48	ET-43	EEMINATE PRINT HOLD FOR FUTURE USE  TOTAL ADJUSTMENTS TO PLANT HELD FOR FUTURE USE	(2,947		•
		ACCUMULATED DEPRECIATION AND AMORTIZATION ADJUSTMENTS	(4)	(2,027)	•
ET-49	ET-43	Elmirate the Effects of Nuclear Related Asset Returnant Obligation (ARO)	29,258	29,258	•
ET-50	ET-44	Eliminate Capitalized AFUDC	(7,491	(7,491)	•
		TOTAL ADJUSTMENTS TO ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION	21,767	21,767	
		TOTAL NET UTILITY PLANT ADJUSTMENTS	486,082	118,611	349,471
		QIHER RATE BASE DEDUCTIONS ADJUSTMENTS			
हाउ।	ET-43	Reeflocation of Retail Customer Costs	13,442		•
ET- <b>42</b>	ET-48	Eliminate the Effocts of Nuclear Related Asset Retiromont Obligation (ARO)	23,133		•
E1-43	N/A	Adjustment to Include the 13 Month Average ADIT Associated with the Impoired Generating Units	53,545		53,545
<b>टा-डा</b> .इ	NA	To Include ADIT of Unamoritaed A 6 Expenses in Rate Base	35,630		35,639
		TOTAL ADJUSTMENTS TO OTHER RATE BASE DEDUCTIONS	126,760	38,575	69,184
		COMMON EQUITY CAPITAL ADJUSTMENTS			<b>813 184</b>
ET-\$4	-	To adjust common equity displies for change in rate base	612,189		612,189
		TOTAL ADJUSTMENTS TO COMMON EQUITY CAPITAL	612,189	<del></del>	612,189

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Exhibit No: \_\_\_\_\_ Widless: Cat APPENDIX A CALCULATIONS (BUPP)

# DOMINION ENERGY VIRGINIA DETAIL OF REGULATORY ACCOUNTING ADJUSTMENTS - GENERATION REFLECTED OF COL. 3 OF SCHEDULES 11 AND 14 FOR THE TEST YEAR EMBED DECEMBER 31, 2018 (WITHOUSANDS)

ADJ N	UMBER COMPANY	<b>VDIABINEUL</b>	STAFF SUPP	Genetadon COMPANY REBUTTAL	DEFERENCE
		income acjustmenta			
		OPERATING REVENUE ADJUSTMENTS			
		Page Reice and 26-91 51. As. As. and As RAGS			
ET-1	ET-1	Customer Refund Adjustment	(783)	(763)	•
ET-1 SUPP	ET-I SUPP	Revenue Correction	(24,033)	(24,033)	•
हाव	ET-2	Letin Payment Fees Resiliocation of Retail Customer Costs	•	-	
ET-J	ET-3	Miscell-recous Elimination of 25% of CR-Systom Sales Margins	. (78)	(78)	
ET-4	ET4	Elimbata Rider Projects from Test Year Results	•	•	•
		TOTAL ADJUSTMENTS TO OPERATING REVENUE	(24,674)	(24,874)	•
		OPERATION AND MAINTENANCE EXPENSE ADJUSTMENTS			
ET-4	E1-5	Elimination of Non-Conforming Advertising Expanses	(506)	(508)	(0)
ET-4	ET-4	Elimbuts the Effect of Ford Expenses from the COS	27,038	27,030	•
E13	E13	Russicontion of Retail Clustomer Costs	•	•	•
हा ब	ET-4	Rectass Certain Non-Operating Expenses	(848)	(645)	•
ET-0	<b>ET-9</b>	Amoritze Organizational Design Initiative Coste Against Savings	÷	•	•
ET-10	ET-10	Eliminate Incentive Plan Expenses in Excess of Yerget	(5,633)	(2,833)	•
ET-11	ET-11	Oceans Sober Charge for Birtheck Circuit	•	•	•
2T-12	ET-12	Eliminata Customer Arrechs Forgiveness Costa	-	•	•
ET-13	NIA	Elimination of VA Fotower Nucleor Ameritzation Gost	628	•	656
ET-14	ET-REB-1	Elimination of Labbying Costs	(732)	(732)	0
ET-15	NIA	To Remove 2019 Asset Impairments Subject to § 56-565,1 E From Q&M Expense	(29,085)	•	(29,665)
ET-15.5	NUA	To Remove Section A 8 Period Expenses from the Cost of Service	(7,934)	0	(7,934)
		TOTAL ADJUSTMENTS TO OPERATION & MAINTENANCE EXPENSE	(15,844)	21,118	(18,960)
		DEPRECIATION AND AMORTIZATION EXPENSE ADJUSTMENTS			
ET-16	ET-13	Eliminate the Effects of Nuclear Rolated Asset Retirement Obligation (ARO)	(4,927)		•
ET-17	ET-14	Elminate Ceptolizad AFUDC	(274)	(274)	•
ET-18	ET-15	Elitabeta Customer Credit Reinvestment Ottan Reserve	•	•	•
ET-19	N/A	To Remove 2019 Asset Impolements Subject to § 56-565.1 E From Depreciation Expense	(248,275)	•	(248,275)
ET-26	NIA	Te Reflect Americanien of 2019 Asset Impairments Subject to § 50-585,1 E	9,265	•	9,265
N/A		Correct Muslear Outage Amortization	0	658	(638)
ET-20.6	N/A	Te Ameritza Section A 8 Períod Expenses Over Five Years	1,587		1,587
		TOTAL ADJUSTMENTS TO DEPRECIATION AND AMORTIZATION	(242,625)	(4,543)	(234,082)
	_	EEDERAL INCOME TAXES			
ET-21	ET-16	Realection of Retail Customer Costs			•
ET-23	ET-17	Esmonda the Effects of Nuclear Retrieve Asset Retriement Obligation (ARO)	1,180	1,160	
ET43	ET-18	Fedoral Income Tax Expense Effect of ITC Debt Component	(81)	(81)	(0)
ET-24	ET-19	Ebrahate the Effect of FW 48	•	•	•
E1-28	ET-20	Adjust Tieres for Domestic Production Activities Doduction		•	
ET-26	ET-21	Interest Synchronia stan	0,434	0,689	(558)
ET-27	E1-23	Federal Income Tox Effect of Adjustments	43,188	(9,254)	54,442
		TOTAL ADJUSTMENTS TO FEDERAL INCOME TAXES	82,720	(1,105)	£3,688
		STATE INCOME TAXES			
ET-28		State Income Tax Expense Effect of ITC Debt Component	(18)	•	(0)
ET-29		Enrorate the Effect of FIN 48	•	•	
ET-30		Adjust Fig.es for Demestic Production Activities Deduction			(161)
ET-31		-	1,805	2,026	15,783
E1-J2	6147	Sizes broome Tex Effect of Adjustments  TOTAL ADJUSTMENTS TO STATE INCOME TAXES	13,102	(2,083) (674)	18,624
		TOTAL HOMOGENERITY TO BERTH INCOME INCOME	14,50	(974)	14,424

#### DETAIL OF REGULATORY ACCOUNTING ADJUSTMENTS - GENERATION REFLECTED IN COL. 2 OF SCHEDULES 11 AND 14 FOR THE TEST YEAR ENDED DECEMBER 31, 2019 [IN THOUSANDS]

	UMBER COMPANY	ADRUSTMENT	STAFF SUPP	COMPANY REBUTTAL	DIFFERENCE
		TAKES OTHER THAN INCOME ADJUSTMENTS			
ET-JJ	ET-20	Amortiza Organizational Design Intitotive Costs Ageinst Sovings	•	•	•
		TOTAL ADJUSTMENTS TO TAXES OTHER THAN INCOME TAXES	•	•	•
ET-34	ET-28	QAIN ON PROPERTY DISPOSITION ADJUSTMENTS Gain/Laca on Disposition of Property	(18)	(18)	•
		TOTAL ADJUSTMENTS TO GAINA GSS ON DISPOSITION OF PROPERTY	(18)	(16)	<del></del>
		NET OPERATING INCOME	188,010	(39,623)	208,632
		Adhrsted Operating Income Adhrstments			
ET-33	E1-30	Christola Donations Elimination of Charlable Donations	(7,095)	(7,095)	•
ET-38	67-31	htterest on Cystomer Geotralia Reallocation of Retal Customer Coots			
		Total Adjusted Operating Income Adjustments	(7.095)	(7,095)	
		ADJUSTED OPERATING INCOME	173,005	(32,827)	205,632
		Loss:			
<b>E1-3</b> 7	ET-32	INTEREST EXPENSE ADJUSTMENTS Refact Interest Expense Uting End-of-Period Cost of Capital Statement	23,092	20,288	2,807
ET-38	ET-33	PREFERRED OMDENDS ADJUSTMENTS Rebac Preferred Dividends Using End of Period Cost of Capital Statement		_	
		IIC CAPITAL EXPENSE ADJUSTMENTS	-		
EL-28	ET-34	Reflect ITC Expenses Uting End-of-Parlod Cost of Capital Statement INCOME AVAILABLE FOR COMMON EQUITY	1,374	1,334 (84,147)	40 202,688
				(a-di-1)	**-,
		RATE GASE ADJUSTMENTS  ALLOWANCE FOR WORKING CAPITAL ADJUSTMENTS			
ET-40	ET-35	Restluction of Retail Customer Costs	•	•	•
ET-41	ETJO	Cesh Working Cepsel Adjustment	(52,052)		(25,187
ET-42	ET-37	Eliminate the Etheth of Huclear Related Asset Refrement Obliquition (ARO)	818,831	918,631	•
#T-43	ET-30	Customer Reland AsQuestment	(147)	(147)	•
ET-44	ET-31	Eliminate Octomor Credii Relivestmoni Offset Reserve		•	
		TOTAL ADJUSTMENTS TO ALLOWANCE FOR WORKING CAPITAL	880,032	891,820	(25,187
ET-45	ET-40	ELECTRIC PLANT IN SERVICE ADJUSTMENTS Eliminate the Elimots of Mucleur Relized Associ Retrement Obligation (ARO)	151,647	151,847	•
ET-48	ET-41	Eliminate Copinstred AFUDC	(9,142)	(9,142)	•
ET-47	NIA	To include the Unemoritzed Balance of 2019 Acuel Impairments Subject to § 88-585.1 E in Rate Base	209,695	•	209,895
ET-47.5	NIA	To Include Unamortzed Batance of Section A & Expense in Reta Base	7,140	0	7,140
		TOTAL ADJUSTMENTS TO UTILITY PLANT IN SERVICE	359,640	142,505	217,035
ET-48	ET-43	PLANT HELD FOR FUTURE USE AGUISTMENTS  Elminote Plant Held for Future Use	(2,651)	(2,631)	
		TOTAL ADJUSTMENTS TO PLANT HELD FOR FUTURE USE	(2,651)	•	-
ET-48	ET-43	ACCUMULATED DEPRECIATION AND AMORITATION ADJUSTMENTS	29,258	29,254	
ET-40	ET-44	Eliminate the Effects of Nuclear Related Assist Retrievant Obligation (ARO)  Eliminate Capitalized APUDC	(7,134)	·	
		TOTAL ADJUSTMENTS TO ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION	22.124	22.124	
		TOTAL NET UTILITY PLANT ADJUSTMENTS	334,768	117,730	217,028
		OTHER RATE BASE DEVICTIONS ADJUSTMENTS			
ET-61		Realectrion of Retail Customer Costs	•	•	•
E143	ET-48	Eliminate the Effects of Nuclear Rotated Asset Retrement Obligation (ARO)	23,133	23,133	•
ET-43	N/A	Adjustment to Include the 13 Month Average ADIT Associated with the Impaired Generating Units	53,543	•	83,543
LC473	WA	To Include AORT of Unamortized A & Expenses in Rate Base	1,623	0	1,823
		TOTAL ADJUSTMENTS TO OTHER RATE BASE DEDUCTIONS  COMMON FOUTLY CAPITAL ADJUSTMENTS	78,501	22,133	53,214
81.44	_		20.0		***
	-	To adjust common equity copial for change in rate base	584,652	•	584,652

Exhibit No: \_\_\_\_\_\_ Witness: Carr APPENDIX A CALCULATIONS (SUPP)

## DOMINION ENERGY VIRGINA DETAIL OF REGULATORY ACCOUNTING ADJUSTMENTS - DISTRIBUTION REFLECTED IN COL. 2 OF SCHEDULES 11 AND 14 FOR THE TEST YEAR RINDED DESCENBER 31, 2019 (NI THOUSANDS)

ADJ M BTAFE	JMBER COMPANY	<u> Adausiment</u>	STAFF SUPP	Distribit COMPANY REBUTTAL	DIFFERENCE
		Mcowe admainents			
		OPERATING REVENUE ADJUSTMENTS			
ET-1	ET-1	Base Rates and 56-555. A4. A5. and A4 RACS Customer Reland Adjustment	(382)	(362)	
ET-1 SUPP	ET-1 SUPP	Revenue Correction	(8,756)	(0,758)	
EL-5	ET-3	Late Payment Foca Resilocation of Retail Customer Costs	2,270	2,270	
ET-3	ET-3	Miscellaneous Elimination of 25% at QC-System Sales Maryins			
हा-4	<b>6</b> 17-4	Eliminate Rider Projects train Test Year Results		•	•
		TOTAL ADJUSTMENTS TO OPERATING REVENUE	(4,838)	(4,838)	•
		OPERATION AND MAINTENANCE EXPENSE ADJUSTMENTS			
ET-6	er4	Exchation of Non-Centerring Advertising Expenses	(408)	(408)	0
ET-4	ET-4	Ethnisis the Effect of Fuel Expenses from the COS	•	•	•
<b>€1-3</b>	<b>2</b> T- <b>3</b>	Reallocation of Retail Clusiomer Costs	2,269	2,269	•
614	<b>8T-4</b>	Reclass Cartain Non-Operating Expenses	(31)	(31)	•
ET-0	ET-0	Amortize Organizational Design Initiative Costs Against Bevings	•	•	•
ET-10	ET-10	Eliminate Incentive Plan Exponses in Excess of Target	(1,700)	(1,705)	•
ET-11	ET-II	Oceano Solar Charge for Birdneck Circuit	(68)	(86)	
ET-12	ET-12	Ethninste Customer Arreers Forgheness Costs	٠	•	
E1-13	NIA	Elicrination of VA Follower Nucleur Ameritzation Cost			•
ET-14	ET-REB-1	Elimination of Lobbying Costs	(373)	(373)	(0)
ET-18	N/A	To Remove 2019 Asset Impointments Subject to § 58-565,1 E From O&M Expense	•		•
ET-15.8	NIA	To Remove Section A 5 Period Expenses from the Cost of Scride	(147,181)	٥	(147,151)
		Total adjustments to operation & Maintenance expense	(147,459)	(209)	(147,181)
		DEPRECIATION AND AMORTEATION EXPENSE ADJUSTMENTS			
ET-10	67-13	Elevanta tre Effects of Nuclear Related Asset Refrement Collector (ARO)	•		
ET-17	ET-14	Elironata Capitalized AFUDC	(17)	(17)	•
ET-18	ET-15	Eliminata Gustomer Credi, Reinvestment Offset Reserve	•	•	•
ET-19	NIA	Te Remove 2019 Asset Impelments Subject to § 58-585.1 E From Deproducion Expense	•	•	•
€T-20	NIA	To Robect Amortization of 2018 Asset Impairments Subject to § 56-585,1 E.	•	•	•
NIA	ET-REB-2	Correct Nuclear Outage Amontzation	0	0	
E1-50.6	NA	Te Amortine Section A 8 Period Experiess Over Five Years	29,430	0	29,430
		TOTAL ADJUSTMENTS TO DEPRECIATION AND ANORTIZATION	29,413	(17)	29,430
		FEDERAL INCOME TAXES			
ET-21	ET-16	Rendocation of Retail Customer Costs	(22)	(22)	
ET-23	ET-17	Eliminate the Effects of Nuclear Related Asset Retirement Obligation (ARO)	•		•
ET-23	ET-10	Federal Income Tex Expense Effect of ITC Debt Component	(78)	(78)	0
67-24	ET-19	Etrahuste the Effect of FVN 48	•	•	•
<b>61-2</b> \$	61-30	Adjust Taxes for Domessia Production AdMidde Deduction	•	•	
8F-28	ET-21	Interest Synchronization	2,292	2,713	(421)
हा-ग	ET-23	Federal income Tax Effect of Adjustments	22,403	(696)	23,301
		total adjustments to federal income taxes	24,595	1,715	22,680
		STATE PICOME TAXES			
ET-20	E1-57	Sizes Income 1 p. Expense Effect of ITC Detal Component	(23)	(23)	0
ET-29	E1-24	Eleminate the Effect of FIN 48	•	•	•
ET-35	ET-25	Adjust Taxes for Damestic Production Acts/live Deduction	-	•	•
ET-31	E1-58	Interest Synchronization	965	747	(172)
£T-33	ET-27	State became To: Effect of Adjustments	6,498	(250)	6,758
		TOTAL ADJUSTMENTS TO STATE INCOME TAXES	7,138	604	0,634

#### DETAIL OF REQULATORY ACCOUNTING ADJUSTMENTS - CRITRIBUTION REFLECTED IN COL. 2 OF SCHEDULES 11 AND 14 FOR THE TEST YEAR ENDED DECEMBER 31, 2019 (IN THOUSANDS)

ADJ. BIJAET	NUMBER COMPANY	ADJUSTMENT	STAFF SUPP	Distribution COMPANY REBUTTAL	DIFFERENCE
ET-33	ET-28	TAXES OTHER THAN INCOME ADJUSTMENTS Amortes Organizational Design Initiative Costs Against Sovings			-
		total adjustments to taxes other than income taxes	0	0	•
ET-34	£1-29	DAIN ON PROPERTY DISPOSITION ADJUSTMENTS CONLOG ON DISPOSITION ADJUSTMENTS	(10)	(10)	
		TOTAL ADJUSTMENTS TO GAWLOSS ON DISPOSITION OF PROPERTY	(10)	(10)	
		NET OPERATING INCOME	81,485	(6,741)	80,207
		Adjusted Operating Income Adjustments			
E1-72	ET-30	Charlistic Donntions Elimination of Choristic Donntions	(825)	(895)	
<b></b>		Interest on Customer Deposits	384	384	
ET-36	ET-31	Readocation of Resal Customar Costs  Total Adjusted Operating Income Adjustments	(531)	(531)	
		ADJUSTED OPERATING INCOME	61,997	(8,210)	88,207
		Len:	- 1,551	(42.0)	
		INTEREST EXPENSE ADJUSTMENTS			
ET-37	ET-33	Refact Interest Expense thang End-of-Period Cost of Capital Statement	1,088	(1,039)	2,127
EL-78	ET-33	PREFERRED DIVIDENDS ADJUSTMENTS Reflect Prefer ad Childends Using End-of-Period Cost of Capital Substitions	0	•	
ET-39	ET-34	ITC CAPITAL EXPENSE ADJUSTMENTS Reflect ITC Expenses Using End-of-Period Cost of Capital Statement	1,347	1,317	30
	2.4	INCOME AVAILABLE FOR COMMON EQUITY	79,642		14,050
		RATE BASE ADJUSTMENTS			
ET-40	ET-38	ALLOWANCE FOR WORKING CAPITAL ADJUSTMENTS Replection of Retail Customer Costs	383	303	
et-41	EY-34	Cash Working Capital Adjustment	(31,484)	(36,257)	4,793
ET-42	ET-47	Eliminate the Effects of Nuclear Related Asset Retrement Obligation (ARO)			
€T-43	ET-38	Customer Refund Adjustment	(70)	(07)	
ET-44	ET-39	Eliminate Customer Credit Reinvestment Offset Reserve			•
		TOTAL ADJUSTMENTS TO ALLOWANCE FOR WORKING CAPITAL	(31,171)	(28,284)	4,793
ET-43	ET-40	ELECTRIC PLANT IN SERVICE ADJUSTMENTS Eliminote the Effects of Muclaer Retained Assot References Obliqueion (ARC)			
ET-48	ET-41	Estatose Tropicate of Nuclear Research Research Companies (VPCO)	(1,180)	(1,180)	
ET-47	WA	To include the Unamorbied Balance of 2019 Asset Impairments Subject to § 58-585,1 E in Rate Base	(1,120)		
ET-47,8	NIA	To Include Unamonused Balance of Section A & Expense in Rata Base	132,438	0	132,438
		TOTAL ADJUSTMENTS TO UTILITY PLANT IN SERVICE	131,265	(1,100)	132,438
ET-48	ET-42	PLANT HELD FOR FUTURE USE ADJUSTMENTS Eliminate Plant Held for Future Use	(296)	(296)	
		total adjustments to plant held for future use	(294)	(296)	
	AT 12	ACCUMULATED DEPRECIATION AND AMORTIKATION ADJUSTMENTS			
ET-49	ET-44	Efferinate the Effects of Nuclear Related Asset Retrement Chitgation (ARO)  Eminists Copicidized AFUDC	(357)	(725)	•
	2	Control opposited to good	100.7	(2.)	-
		TOTAL ADJUSTMENTS TO ACCUMULATED PROVISION FOR DEPRECATION AND AMORTIZATION	(387)	(357)	•
		total net utility plant adjustments	131,216	(1,118)	132,436
		OTHER RATE BASE DEDUCTIONS ADJUSTMENTS			
ET41	E1-49	Restaution of Retal Customer Couts	13,442	13,442	•
ET-43	ET-48	Elarchate the Effects of Muclear Retitled Asset Retirement Obligation (ARO)	•	•	•
ET-43	NIA	Adjustment to Include the 13 Month Average ADIT Associated with the Impaired Generating Units		•	
6.C4-T3	NIA	To Include ADIT of Unamorized A 8 Expenses in Rate Base TOTAL ADJUSTMENTS TO OTHER RATE BASE DEDUCTIONS	33,818	0	33,818
		COMMON EQUITY CAPITAL ADJUSTMENTS	47,254	13,442	33,619
ET- <b>4</b> 4	_	To edjust common equity capital for change in rate base	27,537		27,537
-,	_	TOTAL ADJUSTMENTS TO COMMON EQUITY CAPITAL	27,537		27,637

Exhibit No: \_\_\_\_ Witness: Carr APPENDIX A CALCULATIONS (SUPP)

# DOMINION ENERGY VIRGINIA RATE OF RETURN STATEMENT - EARNINGS TEST ADJUSTED TO A REGULATORY ACCOUNTING BASIS - GENERATION AND DISTRIBUTION FOR THE TEST YEAR ENDED DECEMBER 31, 2020 USING THIRTEEN MONTH AVERAGE RATE BASE AND COMMON EQUITY (IN THOUSANDS)

(1)

(2)

(3)

		(1)	(2)	(3)
LINE NO.		Per Books Virginia Juris. <u>Cost of Service</u>	Regulatory Accounting <u>Adjustments</u>	Virginia Jurisdictional Cost of Service after Adjustments (1)+(2)
1	OPERATING REVENUE	0.000.054	(07.420)	2 002 122
2	BASE RATES AND 56-585.1 A4, A5, AND A6 RACS	2,989,251	(87,128) 0	2,902,123
3	FUEL FACTOR	1,261,933	634	1,261,933 4,073
4 5	LATE PAYMENT FEES MISCELLANEOUS	3,439 100,152	(1,467)	98.885
6	TOTAL OPERATING REVENUES	4,354,775	(87,961)	4,266,814
_	DOCATIVE DELICATIONS			
7	OPERATING REVENUE DEDUCTIONS	0.400.004	4400 400	0.040.700
8 9	OPERATION & MAINTENANCE EXPENSE DEPRECIATION & AMORTIZATION	2,439,921	(120,129)	2,319,792 852,220
10	FEDERAL INCOME TAXES	1,344,812 (77)	(692,592) 146,916	146,839
11	STATE INCOME TAXES	29,635	43,448	73,082
12	TAXES OTHER THAN INCOME TAXES	167,259	0	167,259
13	(GAIN)/LOSS ON DISPOSITION OF PROPERTY	(1,533)	(186)	(1,719)
14	TOTAL OPERATING REVENUE DEDUCTIONS	3,980,016	(622,544)	3,357,473
15	OPERATING INCOME	374,758	534,583	909,341
16 17 18 19	PLUS: AFUDC LESS: CHARITABLE DONATIONS INTEREST EXPENSE ON CUSTOMER DEPOSITS OTHER INTEREST EXPENSE/(INCOME)	0 9,077 1,923 1.334	0 (9,077) 354 0	0 (0) 2,277 1,334
20	ADJUSTED OPERATING INCOME	362,425	543,305	905,730
21 22 23 24 25	PLUS: OTHER INCOME/(EXPENSE) LESS: INTEREST EXPENSE-BOOKED PREFERRED DIVIDENDS ITC CAPITAL EXPENSE	0 163,374 0 n/8	31,598 0 3,595 508,114	0 194,970 0 3,595 707,165
26 27 28	ALLOWANCE FOR WORKING CAPITAL PLUS: NET UTILITY PLANT LESS: OTHER RATE BASE DEDUCTIONS	(544,902) 11,117,082 2,410,265	777,718 1,067,942 267,174	232,616 12,185,023 2,677,439
29	TOTAL AVERAGE RATE BASE	8,161,915	1,578,486	9,740,401
30	TOTAL AVERAGE CAPITAL	8,161,915	1,578,486	9,740,401
31	AVERAGE COMMON EQUITY CAPITAL	4,229,466	817,964	5,047,430
32 33	% RATE OF RETURN EARNED ON AVG. RATE BASE % RATE OF RETURN EARNED ON AVG. COMMON EQ.	4.44% 4.71%		9.30% 14.01%

# DOMINION ENERGY VIRGINIA RATE OF RETURN STATEMENT - EARNINGS TEST ADJUSTED TO A REGULATORY ACCOUNTING BASIS - GENERATION FOR THE TEST YEAR ENDED DECEMBER 31, 2020 USING THIRTEEN MONTH AVERAGE RATE BASE AND COMMON EQUITY (IN THOUSANDS)

(1)	(2)	(3)

		(1)	\-/	(0)
LINE NO.		Per Books Virginia Juris. <u>Cost of Service</u>	Regulatory Accounting Adjustments	Virginia Jurisdictional Cost of Service after Adjustments (1)+(2)
1 2	OPERATING REVENUE	4.000.550	/74 ED4\	4 834 676
3	BASE RATES AND 56-585.1 A4, A5, AND A8 RACS	1,906,552	(71,581) 0	1,834,970 1,261,933
4	FUEL FACTOR LATE PAYMENT FEES	1,261,933 2,636	0	2,638
5	MISCELLANEOUS	78,311	(1,467)	76,844
•	MISCELOANEOUS	70,311	(1,407)	10,044
6	TOTAL OPERATING REVENUES	3,249,431	(73,048)	3,176,382
7	OPERATING REVENUE DEDUCTIONS			
8	OPERATION & MAINTENANCE EXPENSE	2,083,300	(96,304)	1,986,996
9	DEPRECIATION & AMORTIZATION	990,699	(722,005)	268,693
10	FEDERAL INCOME TAXES	(26,528)	152,839	126,311
11	STATE INCOME TAXES	19,837	44,068	63,905
12	TAXES OTHER THAN INCOME TAXES	86,105	0	86,105
13	(GAIN)/LOSS ON DISPOSITION OF PROPERTY	(940)	(115)	(1,056)
14	TOTAL OPERATING REVENUE DEDUCTIONS	3,152,472	(621,518)	2,530,954
15	OPERATING INCOME	96,959	548,469	645,428
16 17 18 19	PLUS: AFUDC LESS: CHARITABLE DONATIONS INTEREST EXPENSE ON CUSTOMER DEPOSITS OTHER INTEREST EXPENSE/(INCOME)	0 7,703 1,474 815	(7,703) 0 0	0 (0) 1,474 815
20	ADJUSTED OPERATING INCOME	86,966	556,173	643,139
21 22 23 24	PLUS: OTHER INCOME/(EXPENSE) LESS: INTEREST EXPENSE-BOOKED PREFERRED DIVIDENDS ITC CAPITAL EXPENSE  INCOME AVAILABLE FOR COMMON EQUITY	0 65,604 0 n/a 21,362	0 30,756 0 1,777 523,640	96,360 0 1,777 545,002
23	INCOME AVAILABLE FOR COMMON EQUITY	21,302	323,640	545,002
26	ALLOWANCE FOR WORKING CAPITAL	(530,646)	793,531	262,885
27	PLUS: NET UTILITY PLANT	4,865,982	966,003	5,831,984
28	LESS: OTHER RATE BASE DEDUCTIONS	1,057,844	223,014	1,280,858
29	TOTAL AVERAGE RATE BASE	3,277,491	1,536,520	4,814,012
30	TOTAL AVERAGE CAPITAL	3,277,491	1,536,520	4,814,012
31	AVERAGE COMMON EQUITY CAPITAL	1,698,381	796,217	2,494,598
32 33	% RATE OF RETURN EARNED ON AVG. RATE BASE % RATE OF RETURN EARNED ON AVG. COMMON EQ.	2.65% 1.26%		13,36% 21,85%
				2

Exhibit No: \_\_\_\_\_\_ Witness: Carr APPENDIX A CALCULATIONS (SUPP)

(3)

# DOMINION ENERGY VIRGINIA RATE OF RETURN STATEMENT - EARNINGS TEST ADJUSTED TO A REGULATORY ACCOUNTING BASIS - DISTRIBUTION FOR THE TEST YEAR ENDED DECEMBER 31, 2020 JSING THIRTEEN MONTH AVERAGE RATE BASE AND COMMON EQUITY

USING THIRTEEN MONTH AVERA	ENDED DECEMBER 31, 2 AGE RATE BASE AND COI HOUSANDS)		
	(1)	(2)	

LINE NO.		Per Books Virginia Juris. Cost of Service	Regulatory Accounting Adjustments	Virginta Jurisdictional Cost of Service after Adjustments (1)+(2)
1 2	OPERATING REVENUE BASE RATES AND 56-585.1 A4, A5, AND A6 RACS	1,082,699	(15,547)	1,067,153
3	FUEL FACTOR	0,002,000	(.0,017)	0
4	LATE PAYMENT FEES	803	634	1,437
5	MISCELLANEOUS	21,842	0	21,842
8	TOTAL OPERATING REVENUES	1,105,344	(14,913)	1,090,431
7	OPERATING REVENUE DEDUCTIONS			
8	OPERATION & MAINTENANCE EXPENSE	356,622	(23,825)	332,796
9	DEPRECIATION & AMORTIZATION	354,113	29,414	383,527
10	FEDERAL INCOME TAXES	26,451	(5,923)	20,528
11	STATE INCOME TAXES	9,797	(620)	9,178
12 13	TAXES OTHER THAN INCOME TAXES	81,154	0 (71)	81,154
13	(GAIN)/LOSS ON DISPOSITION OF PROPERTY	(593)	(71)	(664)
14	TOTAL OPERATING REVENUE DEDUCTIONS	827,544	(1,026)	826,518
15	OPERATING INCOME	277,800	(13,887)	263,913
16	PLUS: AFUDC	0	0	0
17	LESS: CHARITABLE DONATIONS	1,373	(1,373)	0
18	INTEREST EXPENSE ON CUSTOMER DEPOSITS	449	354	803
19	OTHER INTEREST EXPENSE/(INCOME)	519	0	519
20	ADJUSTED OPERATING INCOME	275,459	(12,867)	262,591
21	PLUS: OTHER INCOME/(EXPENSE)	0	0	0
22	LESS: INTEREST EXPENSE-BOOKED	97,770	840	98,610
23	PREFERRED DIVIDENDS	0	0	0
24	ITC CAPITAL EXPENSE	n/a	1,818	1,818
25	INCOME AVAILABLE FOR COMMON EQUITY	177,689	(15,525)	162,164
26	ALLOWANCE FOR WORKING CAPITAL	(14,256)	(15,813)	(30,069)
27	PLUS: NET UTILITY PLANT	6,251,100	101,939	6,353,039
28	LESS: OTHER RATE BASE DEDUCTIONS	1,352,421	44,160	1,396,581
29	TOTAL AVERAGE RATE BASE	4,884,423	41,966	4,926,389
30	TOTAL AVERAGE CAPITAL	4,884,423	41,966	4,926,389
31	AVERAGE COMMON EQUITY CAPITAL	2,531,085	21,747	2,552,832
32	% RATE OF RETURN EARNED ON AVG. RATE BASE	5.64%		5.33%
	% RATE OF RETURN EARNED ON AVG. COMMON EQ.	7.02%		6.35%
	, , , , , , , , , , , , , , , , , , ,			

Exhibit No: \_\_\_\_ Wincas; Cori Appendix a Calculations (Supp)

# DOMINGO ENERGY VIRGINIA DETAIL OF REGULATORY ACCOUNTING ADJUSTMENTS - GENERATION AND DISTRIBUTION REFLECTED IN COL 2 OF SCHEDULES 11 AND 14 FOR THE TEST YEAR ENDED DECEMBER 31, 2020 [IN THOUSANDS]

ADJ H STAFE	COMPANY	ADJUSTMENT.	STAFE SUPP	Generation and Distribution COMPANY REBUTTAL	DIFFERENCE
		income ariusiments			
		OPERATING REVENUE ADJUSTMENTS			
		Barro Rates and 59-585.1 Art. AS. and AS RACS			
PT-1	ET+1	Customer Refund Adjustment	•	•	•
ET-1 SUPP	ET-1 SUPP	Revenue Correction	(87,128)	(67,128)	•
EI-3	E1-3	Lette Parment From Residention of Retail Customer Costs	634	634	•
et-3	ខាង	Miscellandous Elimination of 25% of Off-System Sales Margins	(1,467)	(1,467)	
<b>2T-4</b>	ET:4	Eliminote Ridor Projects from Test Year Results	•	•	•
		TOTAL ADJUSTMENTS TO OPERATING REVENUE	(87,991)	(87,961)	•
		OPERATION AND MAINTENANCE EXPENSE ADJUSTMENTS			
ET-8	87.8	Elimination of Non-Conforming Advertising Expenses	(2,371)	(2,37 t)	0
ET-4	ET-6	Eliminate the Effect of Fuol Expenses from the COS	256	256	•
ET-7	ET-7	Resiliention of Retail Customer Costs	21,161	21,161	
ET-8	ET-0	Redass Coruin Non-Operating Expenses	(581)	(581)	•
<b>ET-0</b>	er-e	Amortiza Organizational Design Influstive Costs Against Sevings	•	•	•
ET-10	ET-10	Ellminute Incentivo Plan Expensee in Excess of Terget	(8,505)	(8,505)	(0)
ET-11	ET-11	Oceans Soter Charge for Britineck Circuit	(68)	(80)	•
ET-12	ET-12	Eliminate Customer Arrears Forgiveness Costs	(117,072)	(117,072)	•
ET-13	NA	Elimination of VA Follows: Nucleus Americation Cost	(1,168)	•	(1,158)
ET-14	ET-REB-1	Ellminstion of Lobbying/Donaben Costs	(845)	(645)	0
ET-15	N/A	To Remove 2029 Asset Impelments Subject to § 56-585.1 E From O&M Expense	(10,957)	•	(10,957)
ET-15.5	NA	To Remove Section A 8 Period Expenses from the Cost of Sarvice	•	•	•
		TOTAL ADJUSTMENTS TO OPERATION & MAINTENANCE EXPENSE	(120,129)	(108,005)	(12,125)
		DEPRECIATION AND AMORITZATION EXPENSE ADJUSTMENTS			
ET-18	ET-13	Eliminate the Effects of Nuclear Related Asset Rotrement Obligation (ARO)	(2,700)	(2,700)	•
ET-17	ET-14	Eliminate Capitalizard AFUDC	(259)	(259)	•
ET-18	ET-15	Eliminate Customer Credit Reinvostmoni Offset Reserve	(120,000)	(120,000)	•
ET-19	NA	To Romove 2020 Asset Impelments Subject to § 58-585,1 & From Depreciation Expones	(833,242)	•	(633,242)
<b>05-T</b> 9	NA	To Refloct Amortization of Asset Impoliments Subject to \$ 55-585.1 E	32,592	•	32,592
NIA	\$1-REB-2	Correct Nuclear Outage Amortization	•	(1,168)	1,168
67-20,5	NZA	To Amortize Section A 8 Period Expenses Over Five Years	31,017	•	31,017
		TOTAL ADJUSTMENTS TO DEPRECIATION AND AMORTIZATION	(892,502)	(124,126)	(558,485)
		EEDERAL INCOME TAXES			
ET-21	ET-10	Resilication of Retail Customer Costs	(3,763)		•
€T-22	ET-17	Eliminote the Effects of Nuclear Related Assot Reframent Obligation (ARO)	089	689	•
E1-23	ET-18	Federal Income Tax Expense Effect of ITC Debt Component	(17 <del>6</del> )	(176)	(0)
ET-24	ET-19	Emmale the Effect of FIN 48	•	•	•
ET-25	ET-20	Adjust Toxes for Domestic Production Activities Doduction	•		
ET-28	हा-३।	Interest Synchronization	7,319	9,577	(2,262)
E1-37	ET-22	Fedoral Income Tox Effect of Adjustments	142,891	27,969	114,622
		TOTAL ADJUSTMENTS TO FEDERAL INCOME TAXES	148,916	34,250	112,580
_		STATE INCOME TAKES			
ET-28	ET-23	State Income Tax Expanse Effect of ITC Debt Component	(51)	(51)	(0)

ET-29

ET-24 Eliminate the Effect of FIN 48

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#### OPTAIL OF REGULATORY ACCOUNTING ADJUSTMENTS - GENERATION AND DISTRIBUTION REFLECTED IN COL. 2 OF SCHEDULES 11 AND 14 FOR THE TEST YEAR ENDED DECEMBER 31, 2020 (IN THOUSANDS)

ADJ.	NUMBER COMPANY	<u> adaustment</u>	STAFF SUPP	Generation and Distribution COMPANY REBUTTAL	DIFFERENCE
ET-30	ET-28	Adjust Taxres for Domestic Production AziMiles Deduction			•
ET-31	ET-26	Interest Synchronization	2,118	2773	(655)
E1-32	ET-27	State Income Tax Effect of Adjustments	41,380	8,100	33,281
		TOTAL ADJUSTMENTS TO STATE INCOME TAXES	43,448	10,822	32,626
et-so	ET-25	IAXES OTHER THAN INCOME ADJUSTMENTS Amortiza Organizational Organizational Organizational Organizational Organizational Organizational Organizational Organizational Organizational Organization Organization Organization	•		•
		Total adjustments to taxes other than income taxes	•	•	•
		GAIN ON PROPERTY DISPOSITION AGJUSTMENTS	185	190	
E1-74	ET-29	GainLoss on Cuposition of Property  TOTAL ADJUSTMENTS TO GAINLOSS ON DISPOSITION OF PROPERTY	185	198	
		MET OPERATING INCOME	534,583	99,278	435,305
		Adjusted Operating Income Adjustments			
EL-33	ET-30	<u>Chattle No. Rochations</u> Elemination of Chastle No. Bonations	(9,077)	(9,077)	•
ET-36	ETGI	Interest on Customer Doposits Restlection of Rose Customer Costs	354	354	•
		Total Adjusted Operating Income Adjustments	(6,723)	(8,723)	•
		ADJUSTED OPERATING INCOME	543,305	108,001	435,303
		Lega;			
E1-27	ET-32	INTEREST EXPENSE ADJUSTMENTS Reflect Interest Expense Using End-of-Period Cost of Capital Statement	31,598	20,170	11,426
£1-79	EL77	PREFERRED CIVIDENDS ADJUSTMENTS Reflect Professed Dividends Using End-of-Period Gost of Capital Statement	-	•	•
E1-70	ET-34	ITC CAPITAL EXPENSE ADJUSTMENTS Reflect ITC Expenses Using End-of-Portod Cost of Capital Statument	3,595	2384	211
		INCOME AVAILABLE FOR COMMON EQUITY	508,114	84,447	423,668
		MATE DASS AR HISTARDAYD			
		BATE BASE ADJUSTMENTS ALLOWANCE FOR WORKING CAPITAL ADJUSTMENTS			
ET-40	ET-33	Redirection of Relai Customer Costs	1,089	1,089	•
श-41	ET-38	Cash Working Capital Adjustment	(90,684)	(24,230)	(58,6\$5)
E1-42	हा अ	Eliminate the Effects of Nuclear Related Asset Retirement Obligation (ARQ)	879,144	879,144	•
ET-43	61.78	Customer Refund Adjustment	•	•	•
E1-44	ET-39	Eliminata Customer Credit Rehmentment Offset Reserve	(11,630)		(88,65f)
		TOTAL ADJUSTMENTS TO ALLOWANCE FOR WORKING CAPITAL	777,718	844,373	(00,005)
ET-45	ET-40	ELECTRIC PLANT IN SERVICE ADJUSTMENTS Eliminate the Effocts of Nuclear Related Asset Redrament Obligation (ARO)	247,418	247,410	•
ET-48	ET-41	Eliminate Capitalized AFUDC	(9,026)	(9,025)	٠
ET-47	NIA	To include the Unamortized Balance of Asset Impairments Subject to § 55-585,1 B in Rete Base	749,588	•	749,588
ET-47.6	NA	To Include Unimortized Balance of Section A 8 Expense in Rate Base	108,550	•	108,550
		TOTAL ADJUSTMENTS TO UTILITY PLANT IN SERVICE	1,098,632	238,384	658, 147
ET-49	ET-42	PLANT HELD FOR FUTURE USE ADJUSTMENTS EDMINGLE Plant Hold for Future Uses	(2,994)	(2,994)	
		TOTAL ADJUSTMENTS TO PLANT HELD FOR FUTURE USE	(2,994)	(2,994)	•
ET-49	ET-43	ACCUMULATED PEPRECIATION AND AMORTIZATION ADJUSTMENTS Eliminate the Effects of Nucleus Related Asset Retrement Obligation (ARO)	32,071	32,071	
ET-60	ET-44	Eliminate Capitalized AFUCC	(8,475)	,	•
		TOTAL ADJUSTMENTS TO ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION	25,598	28,596	•
		TOTAL NET UTILITY PLANT ADJUSTMENTS	1,067,942	209,795	855,147
		OTHER RATE BASE DEDUCTIONS AGJUSTMENTS	.748.	17,854	
ET-51	ET 45	Realisation of Rotal Customer Costs  Classical Property of Abertan Paristed Asset Serieman Obligation (ADO)	17,884	•	•
ET-52	ET-48 N/A	Eliminate the Effects of Nuclear Rolated Asset References Obligation (ARO)  Adjustment to leaf-site the 15 Month Asset References Obligation (ARO)	28,633		192,953
ET-SS		Adjustment to Include the 13 Month Average ADIT Associated with the Impaired Generaling Units To Include ADIT of Unemortized A 6 Expenses in Rate Base	182,903 27,714	•	192,903 27,714
ET-63,5	NA	TOTAL ADJUSTMENTS TO OTHER RATE BASE DEDUCTIONS	257,174		220,677
		COMMON EQUATY CAPITAL ADJUSTMENTS			,
ET-S4	NA	To adjust common aguity capital for change in rate base	817,984		817,984
_,		TOTAL ADJUSTMENTS TO COMMON EQUITY CAPITAL	817,964		817,004
		-			

Exhibit No: \_\_\_\_\_ Winess; Corr APPENDIX A CALCULATIONS (SUPP)

## DOMINION ENERGY VIRGINA DETAIL OF REGULATORY ACCOUNTING ADJUSTMENTS - GENERATION REFLECTED IN COL. 2 OF SCHEDULES 11 AND 14 FOR THE TEST YEAR ENDED DECEMBER 31, 2020 (NI THOUSANDS)

	UMBER COMPANY	ADJUSTMENT	STAFF SUPP	Grneraling COMPANY REBUTTAL	DIFFERENCE
	and delicate	INCOME ADJUSTMENTS			
		IN-YMS-AM/VRIMERIR			
		OPERATING REVENUE ACCUSTMENTS			
ET-1	ET-1	Sere Rates and 56-565,1 A4, A5, and A6 RACS Oustemer Reand Adjustment	•	-	•
ET-1 SUPP	ET-1 SUPP	Revenue Correction	(71,581)	(71,581)	•
ET-2	ET-2	Lets Payment Esta Restocution of Retal Custamer Costs			•
ET-3	ETS	Miscellaneous Elimbation of 25th of CS-System Sales Margins	(1,487)	(1,487)	
ET-4	ET-4	Eliminate Rider Projects from Test Year Results		•	•
		TOTAL ADJUSTMENTS TO OPERATING REVENUE	(73,040)	(73,048)	•
		OPERATION AND MAINTENANCE EXPENSE ADJUSTMENTS			
ET-4	ET- <b>4</b>	Elmination of Non-Conforming Advertising Exponses	(1,433)	(1,433)	0
ET-0	<b>8</b> T- <b>4</b>	Eliminate the Effect of Firel Expenses from the COS	256	250	•
61.3	ET-7	Replication of Rettil Customer Costs	•	•	•
<b>€</b> T <b>-</b>	ET-4	Reclass Cortan Non-Operating Expenses	(561)	(981)	•
ET-0	8T-9	Amoritze Organizational Dealgo Initiative Costs Against Savings	•	•	•
<b>ET-10</b>	ET-10	Eliminate Incentive Plan Expenses in Extens of Terget	(8,101)	(8,101)	(0)
ET-11	ET-11	Oceana Satar Charge for Britinock Circuit	•	•	•
ET-12	ET-12	Etrahote Custamer Arream Forgivon res Costs	(76,771)	(75,771)	
ĒT-13	NIA	Elimination of VA Follower Nuclear Ameritzation Cost	(1,168)		(1,188)
ET-14		Simination of Lobbying/Donation Costs	(567)	(367)	0
ET-15	N/A	To Remove 2020 Asset Impairments Subject to § 50-585,1 E From O&M Expense	(10,957)		(10,957)
E7-14,5	NIA	To Remove Section A 8 Period Expenses from the Cost of Service	0	0	•
		TOTAL ADJUSTMENTS TO OPERATION & MAINTENANCE EXPENSE	(94,204)	(84,178)	(12,128)
		DEPRECIATION AND AMORTIZATION EXPENSE ADJUSTMENTS			
ET-18	ह्य-13	Eliminate the Effects of Nuclear Related Asset Reinterent Obligation (ARO)	(2,700)	• • • •	•
ET-17	ET-14	Elmhota Capicatzed AFUDC	(243)		•
ET-19	2T-16	Eliminate Customer Credit Retrivestment Offset Reserve	(120,000)		•
ET-19	N/A	To Ramove 2020 Asset Impoliments Subject to § 56-345,1 II From Depreciation Expanse	(833,242)		(833,242)
ET-20	N/A	Te Reduct Ameritation of Asset Impelments Subject to § 56-585,1 E	32,592	•	32,592
NIA		Correct Nuclear Outage Amortization	0	(1,168)	1,180
ET-20.5	RIA	Te Ameritze Section A 8 Period Expenses Over Five Years	1,887	0	1,587
		TOTAL ADJUSTMENTS TO DEPRECIATION AND AMORTIZATION	(722,005	(124,110)	(888,792)
	ET-10	EKRERAL INCOME TAXES			
ET-21		Restlucation of Retail Customer Costs			•
ET-23	ET-17	Eliminate the Effects of Nuclear Related Asset Refrement Obligation (ARO)	569		•
EL-17	ET-18	Federal Income Tax Expense Elect of ITC Debt Component	(71)	(71)	(0)
E1-34	ET-19	Etrahure the Effect of PIN 48	•	•	•
ET-23	ET-20	Adjust Toxes for Domestic Production Activities Deduction			
61.36	81.51	Interest Synchronization	5,301	7,247	(1,945)
ET-27	ET-22	Federal Income Tex Effect of Adjustments	148,940	26,190	129,750
		TOTAL ADJUSTMENTS TO FEDERAL INCOME TAXES	162,838	34,035	118,804
		STATE PICOME TAXES			
ET-28		State Income Tax Expense Effoct of ITC Debt Component	(20)		(0)
E1-29		Ebrahute the Effect of FW 48	•		
0.ETS		Adjust Teres for Demestic Production Activities Deduction	1,535	2,099	(563)
ET-31	ET-28	Interest Synchronization	1,535	7,583	34,068
ET-J3	61-61	Size income Tex Effect of Adjustments  TOTAL ADJUSTMENTS TO STATE CHOOME TAXES	42,058 44,068	9,663	34,405
		COUNT MOUSINES IN STATE DECOME TAKES	-4,068	8,663	20,003

## DETAIL OF REGULATORY ACCOUNTING ADJUSTMENTS - GENERATION REFLECTED IN COL. 2 OF SCHEDULES 11 AND 14 FOR THE TEST YEAR ENDED DECEMBER 31, 2020 (M THOUGHADS)

ADJ, N	iumber Company	ADJUSTMENT	STAFF SUPP	General COMPANY RESULTAL	DIFFERENCE
		TAXES OTHER THAN INCOME ADJUSTMENTS			
EL-77	ET-28	America Organizational Design Inhibitive Costs Against Sevings			•
		TOTAL ADJUSTMENTS TO TAXES OTHER THAN INCOME TAXES		•	•
ET-34	ET-29	QAIN ON PROPERTY DISPOSITION ADJUSTMENTS  Quintoss en Disposition of Property	115	115	•
		TOTAL ADJUSTMENTS TO CAMILOSS ON DISPOSITION OF PROPERTY	158	116	<u> </u>
		NET OPERATING INCOME	\$48,489	01,444	454,811
		Adjusted Operating Income Adjustments			
		Charitabio Donastona			
EL-78	ET-30	Etrahadon of Charlable Donations	(7,703)	(7,703)	•
ET-38	ET-31	Internation Customer Deposits Restoction of Retal Customer Costs	•	•	•
		Yotal Adjusted Operating Income Adjustments	(7,703)	(7,703)	•
		ADJUSTED OPERATING INCOME	658,173	89,352	458,811
		Lett			
ET-37	EL73	INTEREST EXPENSE AGJUSTMENTS Retiect Interest Expense Using End-of-Period Cost of Capital Statement	30,750	20,929	0,827
E1-39	E1/33	PREFERRED INVIDENCE ADJUSTMENTS Reflect Professed Dividends Using End-of-Partod Cost of Capital Statement	0	•	•
ET-479	ET-34	ITC CAPITAL EXPENSE ADJUSTMENTS Reflect ITC Expenses Using End-of-Parlod Cost of Capital Surfament	1,777	1,598	181
		INCOME AVAILABLE FOR COMMON EQUITY	523,640	76,637	448,803
		RATE BASE ADJUSTMENTS			
ET-40	ET-35	ALLOWANCE FOR WORKING CAPITAL ADJUSTMENTS Restlection of Retal Customer Costs		•	•
<b>ET-41</b>	ET-38	Cash Working Copital Adjustment	(73,682)	(4,159)	(69,814)
ET-43	ET-37	Eliminate the Educts of Nuclear Related Asset Represent Obligation (ARO)	879,144	879,144	•
ET-43	ET-38	Customer Reland Adjustment	•	•	•
ET-44	ET-39	Elminate Customer Cresii Reinvestment Offset Reserve	(11,630)	(11,630)	•
		TOTAL ADJUSTMENTS TO ALLOWANCE FOR WORKING CAPITAL	793,631	863,346	(69,214)
ET-45	ET-40	ELECTRIC PLANT IN SERVICE ADJUSTMENTS  Electric PLANT IN SERVIC ADJUSTMENTS  Electric PLANT IN SERVI	247,410	247,410	•
ET-48	ET-41	Earthrate Capitalized AFUDC	(7,815)	(7,916)	•
ET-47	N/A	To include the Unemortized Estance of Asset Impoliments Subject to § 56-565,1 E in Refo Besse	749,588		749,588
61-47.4	N/A	To include Unamortized Balance of Section A 6 Expense in Rate Base	6,554	0	5,534
		TOTAL ADJUSTMENTS TO UTILITY PLANT IN SERVICE	P94,631	239,494	755,142
ET-43	ET-43	PLANT KELD FOR FUTURE USE ADJUSTMENTS Emphota Port Hald for Future Use	(2,697)	(2,697)	•
		TOTAL ACJUSTMENTS TO PLANT HELD FOR FUTURE USE	(2,897)	(2,697)	•
ET-49	ET-43	ACCUMULATED DEPRECIATION AND AMORTICATION ADJUSTMENTS Elinbute the Effects of Nuclear Related Asset Referenced Obligation (ARO)	32,071	32,071	
ET-60	ET-44	Envirate Capitalized AFUDC	(6,135)	(6,135)	
		TOTAL ADJUSTMENTS TO ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION	25,938	25,938	•
		TOYAL NET UTILITY PLANT ADJUSTMENTS	989,003	210,661	765,142
ET-41	ET 4\$	OTHER RATE BASE DEDUCTIONS ARXUSTMENTS Restlocation of Relatif Customer Costs			•
ET-52	ET-48	Eliminate the Eflicts of Nuclear Related Asset Retrement Obligation (ARO)	28,633	28,633	•
ET-43	NIA	Adjustment to Include the 13 Month Average ADIT Associated with the Impeired Generating Units	192,963	0	192,983
ET-43.8	N/A	To include ADIT of Unamortized A 8 Expenses in Rate Base	1,416	0	1,418
		TOTAL ADJUSTMENTS TO OTHER RATE BASE DEDUCTIONS	223,014	28,633	194,381
		COMMON EQUITY CAPITAL ADJUSTMENTS			
ET-44	N/A	To adjust common equity copital for change in rate base	790,217		790,217
		TOTAL ADJUSTMENTS TO COMMON EQUITY CAPITAL	796,217	•	796,217

Exhibit No: \_\_\_\_\_ Wilnoss; Corr APPENDIX A CALCULATIONS (SUPP)

## DOMINION ENERGY VIRGINIA DETAIL OF REGULATORY ACCOUNTING ADJUSTMENTS - DISTRIBUTION REFLECTED IN COL. 2 OF SCHEDULES 11 AND 14 FOR THE TEST YEAR ENDED DECEMBER 31, 2020 (IN THOUSANDS)

ADJ, NI. STAFF	IMBER COMPANY	<u>equastment</u>	STAFF SUPP	Distribution COMPANY REBUTTAL	DIFFERENCE
		income adjustments			
		OPERATING REVENUE ACAUSTMENTS			
ET-1	ET-1	Beno Rates and 59-585.1 Ad. AS. and AS RAGS Customer Return Adjustment			
ET-1 SUPP		Raverue Conscion	(15,547)	(15,547)	
ET-2	दाव	Late Formant Foce Restlocation of Retail Customer Costs	634	634	
er-3	er.s	Mitsetiensous Elumination of 25% of Off-System Sales Mergins	-	•	•
et⊲	द्य-4	Eliminate Rider Projects from Test Year Results	•	•	•
		TOTAL ADJUSTMENTS TO OPERATING REVENUE	(14,913)	(14,913)	•
		OPERATION AND MAINTENANCE EXPENSE ADJUSTMENTS			
EY-8	ET-8	Elimination of Non-Conforming Advertising Expenses	(828)	(938)	0
ET-6	ET-6	Giminate the Effect of Pad Exports them the COS	•	•	•
ET-7	ET-7	Realfocation of Retail Customer Costs	21,181	21,181	•
ET-8	ET-0	Redists Certain Non-Operating Expenses	•	•	•
हर-0	ET-9	Amonize Organizational Dorligh Initiative Costs Against Savings	•	•	•
ET-10	E1-10	Eliminate Incertive Plan Expenses in Expens of Yarget	(2,404)	(2,404)	(0)
दाना	<b>हर-1</b> 1	Oceans Solar Charge for Birdneck Circuit	(00)	(50)	•
ET-13	ET-12	Eliminate Customer Arrears Forgiveness Costs	(41,300)	(41,300)	•
ET-13	NA	Elimination of VA Follower Nuclear Ameritzation Cost	•	•	•
ET-14	ET-REB-1	Elimination of Lebbying/Conation Costs	(276)	(276)	O
ET-15	NA	To Remove 2020 Asset Impelmento Subject to § 50-585,1 E From OSM Expense	•	•	•
ET-18.8	NA	To Remove Section A 6 Period Expenses from the Cost of Service	-	•	•
		total adjustments to operation & Maintenance expense	(23,625)	(23,526)	0
		DEPRECIATION AND AMORTZATION EXPENSE ADJUSTMENTS			
E1-16	ET-13	Eliminate the Effects of Nuclear Related Asset Retirement Citigation (ARO)	•	•	•
ET-17	ET-14	Elminate Copitalizad AFUDC	(17)	(זו)	•
ET-18	ET-15	Eliminate Cuttomor Credii Rolevasiment Offset Reserve	•	•	•
ET-10	NA	To Remove 2020 Assot Impelimenta Subject to § 58-585.1 E From Depreciation Expense	•	٠	•
ET-20	NA	To Reflect Amortization of Asset Impairments Subject to § 50-585.1 E	•	•	•
NA	ET-REB-3	<del>-</del>	•	•	
ET-20.6	N/A	To Amerizo Section A 8 Period Expenses Over Five Years	29,430	•	29,430
		TOTAL ADJUSTMENTS TO DEPRECIATION AND AMBRITZATION	25,414	(17)	29,430
		FEDERAL INCOME TAXES			
ET-21	ET-18	Resiliocation of Retail Customer Costs	(3,783)	(3,783)	•
ET-22	ET-17	Eliminate the Elifacts of Nuclear Related Assist Rotinement Ordination (ARO)	-	•	•
er-23	ET-18	Fedoral Income Tax Expanse Effoct of ITC Debt Component	(105)	(105)	(0)
ET-24	ET-19	Eliminate the Effect of FIN 48	•	•	•
ET-28	EL-30	Adjust Taxes for Comestic Production Activities Deduction	•	-	•
ET-25	ET.2H	Insuest Synchronization	2014	2,330	(317)
E1-27	E1-53	Federal Income Tex Effect of Adjustments	(4,049)		(5,526) (8,144)
		TOTAL ADJUSTMENTS TO FEDERAL INCOME TAXES	(6,923)	25	(0,144)
gr.20	er-23	STATE INCOME TAXES	(31)	(30)	<b>(</b> 0)
ET-28	ET-24	State Income Tex Expense Effect of ITC Debt Component  Eliminate the Effect of ITN 48	(31)	(30)	(0)
E1-39	ET-25	Adjust Taxas for Domenic Production Activities Deduction	•	•	•
	ET-25	Adjust Texas for Domestic Hipopolion Admises Deduction Interest Syndhorization	- 583	676	- (92)
取づり	E1-20	Soile Income Ter Effect of Adjustments	(1,172)		(1,688)
41-71	E1-27	TOTAL ADJUSTMENTS TO STATE INCOME TAXES			(1,770)
		TOTAL MUNICIPACITY TO STATE INCOME (ARES	(820)	1,150	(1,770)

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#### DETAIL OF REGULATORY ACCOUNTING ADJUSTMENTS - DISTRIBUTION REFLECTED IN COL. 2 OF SCHEDULES 11 AND 14 FOR THE TEST YEAR ENDED DECEMBER 31, 2020 (IN TROUSANDS)

ADJ. STAFE	MAJMBER COMPANY	ADARTMENT	STAFF SUPP	COMPANY REBUTTAL	OFFERENCE
		Taxes other than income aguistments			
ET-33	ET-28	Amortize Organizational Design Initiative Costs Against Sovings	•	•	•
		TOTAL ADJUSTMENTS TO TAXES OTHER THAN INCOME TAXES	•	•	•
ET-34	ET-29	GAIN ON PROPERTY DISPOSITION ADJUSTMENTS Gain/Loss on Disposition of Property	71	71	
		TOTAL ADJUSTMENTS TO CAINLOSS ON DISPOSITION OF PROPERTY	71	. 71	•
		NET OPERATING INCOME	(13,887)	7,620	(21,607)
		Adjusted Operating Income Adjustments			
		Cheritable Donations			
E1-72	61-20	Emination of Charitatio Donators	(1,373)	(1,373)	•
ET-36	ET-31	Interest on Customer Resealts Restocation of Retail Customer Costs	354	354	•
		Total Adjusted Operating Income Adjustments	(1,019)	(1,019)	•
		ADJUSTED OPERATING INCOME	(12.867)	6,639	(21,507)
		Lenzi			
EYAT	ET-32	INTEREST EXPENSE ADJUSTMENTS Reflect Interest Expense Using End-of-Period Cost of Capital Statement	840	(759)	1,569
		PREFERRED DIVIDENDS ADJUSTMENTS			
ET-38	ET-33	Retract Preferred Dividends Lieling End-of-Period Cost of Capital Stationism  ITC CAPITAL EXPENSE ADJUSTMENTS	•	•	•
EJ-73	ET-34	Refloct ITC Expenses Using End-of-Period Cost of Capital Sistement	1,618	1,790	20
		UNCOME AVAILABLE FOR COMMON EQUITY	<u>{18,525</u> ]	7,609	(23,134)
		PATE BASE ADJUSTMENTS			
€T-40	ET-35	ALLOWANCE FOR WORKING CAPITAL ADJUSTMENTS Residenation of Reliab Customer Costs	1,089	1,089	
ET-41	ET-38	Cosh Working Capual Adjustment	(18,902)	(20,061)	3,159
ET-42	ET-37	Eliminate the Effects of Nuclear Rotated Asset Retirement Obligation (ARO)			
£T-43	ET-38	Customer Refund Adjustment			
ET-44	ET-39	Siminate Customer Credit Reinvestment Offsel Reserve		•	•
		TOTAL ADJUSTMENTS TO ALLOWANCE FOR WORKING CAPITAL	(15,813)	(18,972)	3,159
ET-45	EY-40	ELECTRIC PLANT IN SERVICE ADJUSTMENTS  Burningto the Efects of Nuclear Related Asset Retrement Ottigation (ARO)			_
ET-46	E7-41	Eliminate Cartistized APUDC	(1,109)	(1,100)	
ET-47	N/A	To Include the Unamortized Balance of Asset Impelments Subject to § 58-589,1 8 in Rate Base	(1,100)		
ET-47,8	N#A	Te Instude Unemortized Balance of Section A & Expense in Rete Base	103,005	•	103,006
		TOTAL ADJUSTMENTS TO UTILITY PLANT IN SERVICE	101,896	(1,109)	103,003
<b>ET-48</b>	ET-42	PLANT HELD FOR FUTURE USE ACJUSTMENTS Eliminate Plem Had for Future Use	(298)	(298)	-
		TOTAL ADJUSTMENTS TO PLANT HELD FOR FUTURE USE	(298)	(298)	-
ET-49	£T43	ACCUMINATED DEPRECIATION AND AMORTIZATION ADJUSTMENTS Eliminate the Effects of Mudeur Related Assat Retilement Obligation (ARO)			-
ET-30	ET-44	Eliminate Capitalized AFUDC	(340)	(340)	•
		TOTAL ADJUSTMENTS TO ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION	(340)	(340)	
		TOTAL NET UTILITY PLANT ADJUSTMENTS	101,939	(1,068)	183,005
			121,500	,,,,,,,	,
ET-51	ET-43	OTHER RATE BASE DEDUCTIONS ADJUSTMENTS Resilicenten of Read Customer Costs	17,604	17,684	
हा-छ	ET-48	Eliminate the Effects of Mudicar Ratated Asset Rollison ent Obligation (ARO)		-	
ET-53	NA	Adjustment to Include the 13 Month Average ADIT Associated with the Impaired Generaling Units	•	•	•
ET-\$3.5	NA	To Include ADIT of Unamortized A \$ Expenses in Rate Base	26,290	•	25,295
		TOTAL ADJUSTMENTS TO OTHER RATE BASE DEDUCTIONS	44,180	17,684	28,290
		COMMON EQUITY CAPITAL ADJUSTMENTS			
ET-54	N/A	To adjust common equity cupital for change in rate base	21,747	·	21,747
		TOTAL ADJUSTMENTS TO COMMON EQUITY CAPITAL	21,747	·	21,747