

BEFORE

THE PUBLIC SERVICE COMMISSION OF

SOUTH CAROLINA

DOCKET NO. 2020-6-G - ORDER NO. 2020-701

OCTOBER 14, 2020

IN RE: Application of Dominion Energy	)	INITIAL ORDER APPROVING
South Carolina, Incorporated	)	QUARTERLY MONITORING
(f/k/a South Carolina Electric &	)	REPORT AND ADOPTING
Gas Company) to Have the	)	SETTLEMENT AGREEMENT FOR
Terms of the Natural Gas Rate	)	ADJUSTMENTS TO RATES AND
Stabilization Act Apply to the	)	CHARGES FOR GAS
Company's Rates and Charges	)	DISTRIBUTION SERVICES
for Gas Distribution Services	)	

This matter comes before the Public Service Commission of South Carolina (the “Commission”) pursuant to S.C. Code Ann. §§ 58-5-400 *et seq.*, the Natural Gas Rate Stabilization Act (“RSA”), as related to Dominion Energy South Carolina, Inc. (“Dominion” or the “Company”). Order No. 2005-619 established a baseline return on equity for the Company under the Act, based on the Company’s last rate case. Section 58-5-455 sets out a procedure for the handling of monitoring reports under the Act related to the quarter ending March 31.

#### INTRODUCTION AND APPLICABLE LAW

In compliance with S.C. Code Ann. § 58-5-430 (2015) and § 58-5-440 (2015) of the RSA, the Company filed its quarterly monitoring report for the twelve month period ending March 31, 2020, and proposed adjustments to its rates and charges necessary to provide for Dominion with the opportunity to earn the midpoint of the range of rate of return on common equity as established in Dominion’s most recent general rate case for

natural gas service in Docket No, 2005-113-G.<sup>1</sup> The only two parties in this matter are Dominion and ORS. There were no other parties or intervenors.

Once the Company files the monitoring report as required by S.C. Code Ann. § 58-5-455 with the Commission and the Office of Regulatory Staff (“ORS”), interested parties may comment on the report. Where the monitoring report indicates rate adjustments are required or where it appears to the Commission or ORS that an adjustment in rates may be warranted, ORS shall conduct an audit of the monitoring report and specify any changes that it determines are necessary to correct errors in the report or to otherwise bring the report into compliance with the statute. Parties may comment on the ORS audit. On or before October 15, the Commission shall issue an initial order setting forth any changes required in the utility’s request to adjust rates under the statute. Any gas rate adjustments authorized under the terms of the statute shall take effect for all bills rendered on or after the first billing cycle of November of that year. This present Order is the “initial order” contemplated by S.C. Code Ann. Section 58-5-455 for Dominion.

### **DISCUSSION**

On June 15, 2020, Dominion filed its Quarterly Monitoring Report for the twelve-month period ending March 31, 2020, and Proposed Rate Adjustments. The ORS conducted a review of Dominion’s Monitoring Report for the twelve-month period ending March 31, 2020, to evaluate compliance with Section 58-5-430 and Section 58-5-440 of the Act. The ORS proposed certain adjustments to reported amounts to bring the report into conformance with those sections. Prior to a formal evidentiary hearing in this matter

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<sup>1</sup> S.C. Code Ann. §58-5-420(1) (2015).

or consideration by the Commission, any objections to the findings and adjustments reflected in the ORS Audit Report have been settled between the two parties – the Company and ORS. In accordance with the guidelines of the RSA, the Company is entitled to an adjustment in rates to achieve a return on common equity as set by previous Commission Order, currently 10.25%. Table 1 shows the requested and approved changes granted for prior RSA filings and a comparison to the current filing.

Table 1:

Docket No.	Order No.	Amount Requested	ORS Proposed Revenue	Amount Granted	Approved Return on Equity	Rates Effective
2016-6-G	2016-704	\$4,386,695	\$4,086,147	\$4,086,147	10.25%	11/1/2016
2017-6-G	2017-623	\$9,022,098	\$8,633,538	\$8,633,538	10.25%	11/1/2017
2018-6-G	2018-678	(\$18,737,191)	(\$19,716,936)	(\$19,716,936)	10.25%	11/1/2018
2019-6-G	2019-729	\$7,106,649	\$6,273,054	\$6,273,054	10.25%	11/1/2019
2020-6-G	TBA	\$8,630,682	\$7,186,187	TBD	10.25%	11/1/2020

A Settlement Agreement was reached by and among Dominion and ORS (collectively, the Parties). Under the terms of the Settlement Agreement, attached hereto as Order Appendix A, Dominion will implement rates for the twelve-month period beginning with the first billing cycle of November 2020, calculated on the basis of a 9.9% return on equity (“ROE”), instead of the 10.25% ROE approved by Commission Order No. 2005-619. The Parties agree that Dominion will adopt the accounting adjustments of ORS as set forth in Schedule 2 attached to the Settlement Agreement.<sup>2</sup> See Order Appendix A,

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<sup>2</sup> In numbered paragraph 2 of the Settlement Agreement between the parties, it was mutually agreed that Dominion will adopt the accounting adjustments of ORS as set forth in Settlement Schedule 2 as attached to this Settlement Agreement which includes a revision to Adjustment No. 13 entitled "Incentive Compensation Adjustment."

Schedule 2. The Parties further agree that, based upon the accounting adjustments proposed by ORS and adopted by Dominion, and the agreement of Dominion to implement rates based upon a 9.9% ROE, South Carolina ratepayers will realize an increase in current margin rates totaling \$6,326,995. The Settlement Agreement states that this equates to a reduction of \$ 2,303,687 {for accounting purposes reflected as (\$ 2,303,687)} for South Carolina ratepayers when compared to rates calculated on Dominion’s authorized 10.25% ROE. The following Table reflects the accounting adjustments proposed by ORS and adopted by Dominion as part of the Settlement Agreement in Order Appendix A.

Docket No.	Order No.	Amount Requested	ORS Proposed Increase (Settlement)	Amount Granted	Approved Return on Equity	Rates Effective
2020-6-G	2020-701	\$8,630,682	\$6,326,995	\$6,326,995	9.90%	11/1/2020

Additionally, the Parties have agreed that Dominion will file a retail natural gas general rate case proceeding with the Commission no later than April 1, 2023, and ORS shall not initiate a rule to show cause why a full rate proceeding should not be initiated pursuant to S.C. Code Ann. Section 58-5-470 while the Settlement Agreement is in effect, which shall expire October 31, 2021.

We have examined the accounting and pro forma adjustments proposed and agreed upon by the Parties, as well as the Settlement Agreement, and we take no exception to them.

**FINDINGS AND CONCLUSIONS**

1. Dominion has elected to have the terms of the Natural Gas Stabilization Act, Section 58-5-400, et seq., apply to its current rates and charges for gas distribution service.

2. S.C. Code Ann. Section 58-5-455, a portion of the Natural Gas Rate Stabilization Act, requires the filing of certain documents and the issuance of this Initial Order.

3. Changes are required to the Company's request to adjust rates.

4. ORS has suggested certain adjustments to which Dominion does not object, as outlined in the Parties' Settlement Agreement.

5. This Commission concludes that the terms of the Settlement Agreement are in compliance with the statutory requirements of the Natural Gas Rate Stabilization Act, S.C. Code Ann. § 58-5-400 *et seq.*, and adopts the changes and adjustments proposed by the Parties and the resulting rates and charges. Therefore, The Settlement Agreement is approved and attached to this Order as Order Appendix A.

6. This Commission finds the rate schedules for natural gas service submitted by the Company, attached to this Order as Order Appendix B and which incorporate the adjustments agreed to the Settlement Agreement, appropriate and approves the rate schedules attached hereto.

IT IS THEREFORE ORDERED THAT:

1. The new rates and charges approved herein shall be effective for bills rendered on or after the first billing cycle in November 2020, subject to changes under the Company's Gas Cost Recovery Mechanism.

2. As required by Commission Order No. 2019-729, Dominion, in future RSA filings, shall identify and provide the capitalized employee incentives and associated taxes for work related to plant-in-service accumulated depreciation, and depreciation expense. ORS can only make recommendations based on information provided by the Company. Renewing this requirement ensures that ORS will have all pertinent information for future RSA filings.<sup>3</sup> If it has not already done so by the date of issuance of this Order, the Company shall file its revised tariff utilizing the Commission's e-filing system for tariffs prior to its first billing cycle in November 2020. The revised tariff should be electronically filed in a text searchable PDF format using the Commission's DMS System (<https://dms.psc.sc.gov/Web>). An additional copy should be sent via email to [etariff@psc.sc.gov](mailto:etariff@psc.sc.gov) to be included in the Commission's ETariff System (<https://etariff.psc.sc.gov>). Future revisions to the tariff should be made using the ETariff System. Each tariff sheet shall contain a reference to this Order and its effective date at the bottom of each page. The revised tariff shall be consistent with the findings of this Order and shall be consistent with the Commission's Rules and Regulations, as well as the provisions of the Settlement Agreement.

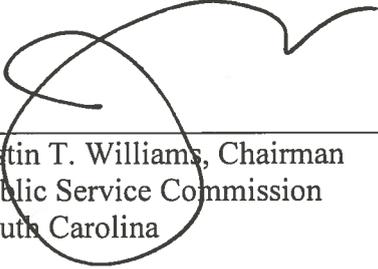
4. Dominion shall provide a reconciliation of each tariff rate change approved as a result of this Order to each tariff rate revision filed in the ETariff system. Such reconciliation shall include an explanation of any differences and be submitted separately from the Company's ETariff system filing.

5. If it has not already done so by the date of issuance of this Order, the Company shall file a schedule showing the revenue produced by each and every tariffed

rate approved by the Commission and reconcile the revenue produced, by tariffed rate, to the revenue requirement approved in this Order.

6. This Order shall remain in full force and effect until further order of the Commission.

BY ORDER OF THE COMMISSION:



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Justin T. Williams, Chairman  
Public Service Commission  
South Carolina



Matthew W. Gissendanner  
Assistant General Counsel  
Dominion Energy Southeast Services, Inc.

220 Operation Way, MC C222, Cayce, SC 29033  
DominionEnergy.com



October 8, 2020

**VIA ELECTRONIC FILING**

The Honorable Jocelyn G. Boyd  
Chief Clerk/Administrator  
**Public Service Commission of South Carolina**  
101 Executive Center Drive  
Columbia, South Carolina 29210

RE: Application of Dominion Energy South Carolina, Incorporated (f/k/a South Carolina Electric & Gas Company) to Have the Terms of the Natural Gas Rate Stabilization Act Apply to the Company's Rates and Charges for Gas Distribution Services  
Docket No. 2020-6-G

Dear Ms. Boyd:

By Directive dated October 7, 2020, the Public Service Commission of South Carolina ("Commission") adopted the Settlement Agreement submitted by Dominion Energy South Carolina, Inc. ("DESC" or "Company") and the South Carolina Office of Regulatory Staff ("ORS"). In its Directive, the Commission instructed DESC to "file schedules containing the rates and charges resulting from approval of the Settlement Agreement no later than noon on Monday, October 12, 2020." In compliance with this instruction, attached hereto are the schedules containing the rates and charges that will result from approval of the Settlement Agreement.

If you have any questions, please advise.

Very truly yours,

A handwritten signature in cursive script that reads "Matthew W. Gissendanner".

Matthew W. Gissendanner

MWG/kms  
Enclosures

cc: Andrew Bateman, Esquire  
Jenny R. Pittman, Esquire  
(all via electronic mail and U.S. First Class Mail w/enclosures)

(Continued . . .)

**DOMINION ENERGY SOUTH CAROLINA, INC.**

**PROPOSED RATES**

Rate 31	Small Firm General Service
Rate 32 Value	Residential Value Service
Rate 32 Standard	Residential Standard Service
Rate 33	Medium Firm General Service
Rate 34	Large General Service
Rate 35	Firm Transportation and Standby Service
Rider to Rates 31, 32V, 32S, and 33	Service for Air Conditioning
Weather Normalization Adjustment	Adjustment Determination



DOMINION ENERGY SOUTH CAROLINA, INC.

GAS

**RATE 32V**

**RESIDENTIAL VALUE SERVICE**

(Page 1 of 2)

**AVAILABILITY**

This rate schedule is only available to residential customers that meet the special provisions as listed below and are using the Company's service in individually metered private residences. For apartments or multi-family structures having not more than two (2) dwelling units, gas service for a central heating system for the entire building may be included in the account of one of the dwelling units. All gas service supplied to the second dwelling unit will be separately metered to comply with the provisions of this rate.

**RATE PER MONTH**

Basic Facilities Charge: **\$10.90**

Plus Commodity Charge:

All Therms @ **\$ 1.21613** per therm

**SPECIAL PROVISIONS**

1. This rate schedule is available to those accounts where there is an average usage of at least 10 therms during the billing months of June, July and August. The average usage is derived by combining the therm usage for each of the billing months previously listed and dividing by three.
2. Therm usage during a billing month of other than 30 days, used to determine eligibility under this rate schedule, shall be adjusted to a 30 day billing period by application of a fraction, the numerator of which shall be 30 and the denominator of which shall be the actual number of days in the billing period.
3. The calculation as described in 1. above will be performed annually for each residential account. Accounts not meeting the standards of Rate 32V will be placed on Rate 32S beginning with the billing month of November of each year.
4. Availability of this rate schedule for new premises will be based on reasonably anticipated base load usage. Availability of this rate schedule for new accounts at existing premises will be based on the previous account's usage. If this usage is unavailable, the customer will be initially placed on Rate 32S Residential Standard Service.

**WEATHER NORMALIZATION ADJUSTMENT**

An adjustment to the commodity charges for the billing months of November-April above will be made in accordance with the Weather Normalization Adjustment.

**MINIMUM CHARGE**

The monthly minimum charge shall be the basic facilities charge as stated above.

**UNMETERED GAS LIGHTING PROVISION**

Gas used for lighting will be determined based on the BTU rating of fixtures installed and will be billed the commodity charges listed above.

**SEASONAL BLOCK CHARGE**

A charge will apply for customers who disconnect service and subsequently request reconnection of service at the same premise within a 12 month period. This is commonly referred to as seasonal block. The charge will be based on the number of months the customer is disconnected times the basic facilities charge as stated above. In determining the months of disconnection, any number of days disconnected within a month constitutes a whole month of disconnection. If reconnection is requested to be performed after normal business hours, an additional charge of \$20.00 will be added to the charges as calculated above.

Effective For Bills Rendered On and After the 1st Billing Cycle of November 2020

RATE 32V

RESIDENTIAL VALUE SERVICE

(Page 2 of 2)

**ADJUSTMENT FOR RECOVERY OF GAS COSTS**

The commodity charges above include gas costs of \$0.72254 per therm and are subject to adjustment by order of the Public Service Commission of South Carolina.

**SALES AND FRANCHISE TAX**

To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state or local governmental body.

**PAYMENT TERMS**

All bills are net and payable when rendered.

**TERM OF CONTRACT**

Contracts shall run continuously from time service is commenced at each location until service to customer is permanently disconnected. A separate contract shall cover each meter at each location.

**GENERAL TERMS AND CONDITIONS**

The Company's General Terms and Conditions are incorporated by reference and a part of this rate schedule.

Effective For Bills Rendered On and After the 1st Billing Cycle of November 2020



DOMINION ENERGY SOUTH CAROLINA, INC.

GAS

RATE 33

MEDIUM GENERAL SERVICE

**AVAILABILITY**

Available only to those customers using the Company's service for firm general commercial, industrial, agriculture, religious or charitable purposes and for residential where more than one dwelling unit is supplied through one meter. Also, this rate schedule is only available where there is an average usage of at least 130 therms during the billing months of June, July and August. The average usage is derived by combining the therm usage for each of the billing months previously listed and dividing by three. It is not available for resale.

**RATE PER MONTH**

Basic Facilities Charge: \$29.19

Plus Commodity Charge:  
All Therms @ \$ 0.96638 per therm

**WEATHER NORMALIZATION ADJUSTMENT**

An adjustment to the commodity charges for the billing months of November-April above will be made in accordance with the Weather Normalization Adjustment.

**DEKATHERM BILLING**

Customers that have installed chart metering facilities may be billed on a per Dekatherm basis (1 dekatherm = 10 therms). The amount per dekatherm will be determined by multiplying the above by 10.

**MINIMUM CHARGE**

The monthly minimum charge shall be the basic facilities charge as stated above.

**UNMETERED GAS LIGHTING PROVISION**

Gas used for lighting will be determined based on BTU ratings of fixtures installed and will be billed the commodity charges listed above.

**SEASONAL BLOCK CHARGE**

A charge will apply for customers who disconnect service and subsequently request reconnection of service at the same premise within a 12 month period. This is commonly referred to as seasonal block. The charge will be based on the number of months the customer is disconnected times the basic facilities charge as stated above. In determining the months of disconnection, any number of days disconnected within a month constitutes a whole month of disconnection. If reconnection is requested to be performed after normal business hours, an additional charge of \$20.00 will be added to the charges as calculated above.

**ADJUSTMENT FOR RECOVERY OF GAS COSTS**

The commodity charges above include gas costs of \$0.51438 per therm and are subject to adjustment by order of the Public Service Commission of South Carolina.

**SALES AND FRANCHISE TAX**

To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state or local governmental body.

**PAYMENT TERMS**

All bills are net and payable when rendered.

**TERM OF CONTRACT**

Contracts shall run continuously from time service is commenced at each location until service to customer is permanently disconnected. A separate contract shall cover each meter at each location. No contract shall be written for less than twelve (12) months.

**GENERAL TERMS AND CONDITIONS**

The Company's General Terms and Conditions are incorporated by reference and a part of this rate schedule.

Effective For Bills Rendered On and After the 1st Billing Cycle of November 2020

DOMINION ENERGY SOUTH CAROLINA, INC.

GAS

RATE 34

LARGE GENERAL SERVICE

**AVAILABILITY**

Available only to those customers having firm requirements and a maximum daily quantity (MDQ) of at least 50 Dekatherms or greater and using the Company's service for industrial manufacturing or large commercial operations. It is not available for resale service.

**MAXIMUM DAILY QUANTITY (MDQ)**

The actual MDQ shall be the greatest amount of gas delivered to the customer during any day (10:00 a.m. to 10:00 a.m.) of the current billing month.

**RATE PER MONTH**

**Monthly Demand Charge:**

First	50 Dekatherms @	<b>\$592.50</b>
Excess over	50 Dekatherms @	<b>\$8.00</b> per Dekatherm

Commodity Charge @ \_\_\_\_\_ **\$ 8.0592** per Dekatherm

**DETERMINATION OF BILLING DEMAND**

- (a) **Billing Months of November-April:**  
The monthly billing demand shall be the greatest of: (1) The actual MDQ; (2) The contract MDQ; or (3) 50 Dekatherms.
- (b) **Billing Months of May-October:**  
The monthly billing demand shall be the greatest of: (1) The actual MDQ; (2) 50% of the contract MDQ; or (3) 50% of the highest MDQ occurring during any of the preceding billing months of November-April; or (4) 50 Dekatherms.

**MINIMUM CHARGE**

The monthly minimum charge shall be the demand charge as determined above.

**ADJUSTMENT FOR RECOVERY OF GAS COSTS**

The commodity charges above include gas costs of \$6.4815 per dekatherm. These charges are subject to adjustment by order of the Public Service Commission of South Carolina.

**SALES AND FRANCHISE TAX**

To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state or local governmental body.

**PAYMENT TERMS**

All bills are net and payable when rendered.

**TERM OF CONTRACT**

Service hereunder shall be provided under a written contract, with a minimum initial term of one year with automatic extensions, unless terminated by either party in accordance with the terms of contract. In the event of a default to the contract, this rate schedule and the General Terms and Conditions will constitute a contract for a term of six months. A separate written contract shall cover each meter at each location.

**GENERAL TERMS AND CONDITIONS**

The Company's General Terms and Conditions are incorporated by reference and a part of this rate schedule.

Effective For Bills Rendered On and After the 1st Billing Cycle of November 2020

## RATE 35

## TRANSPORTATION AND STANDBY SERVICE

(Page 1 of 2)

## AVAILABILITY

Transportation service is available to any customer who has firm requirements of 50 Dekatherms Maximum daily Quantity (MDQ) or greater and, who owns and delivers gas to the Company at an acceptable point of connection, for delivery by the Company to the customer's regular point of service.

Service will be supplied at the best efforts of the Company and may be restricted from time to time due to operating limitations on the Company's system or from third party restrictions. In the event of such limitations, the transportation service is subordinate to service under all other rate schedules and may be curtailed or interrupted, normally upon not less than two hours advance notice, or, when necessitated by conditions affecting the Company's gas system, upon less than two hours advance notice.

## RATE PER MONTH

## Transportation Service

Monthly Demand Charge:

First	50 Dekatherms @	<u>\$592.50</u>	
Excess over	50 Dekatherms @	<u>\$8.00</u>	per Dekatherm
Commodity Charge @		<u>\$ 1.5846</u>	per delivered Dekatherm

## DETERMINATION OF BILLING DEMAND

- (a) **Billing Months of November-April:**  
The monthly billing demand shall be the greatest of: (1) The actual MDQ; (2) The contract MDQ; or (3) 50 Dekatherms.
- (b) **Billing Months of May-October:**  
The monthly billing demand shall be the greatest of: (1) The actual MDQ; (2) 50% of the contract MDQ; or (3) 50% of the highest MDQ occurring during any of the preceding billing months of November-April; or (4) 50 Dekatherms.

## Standby Service

In addition to the demand charges for transportation service the following charges will apply for gas supplied by the Company.

- (a) **Billing Months of November-April:**  
The monthly billing demand shall be the greatest of: (1) The actual MDQ; (2) The contract MDQ; or (3) 50 Dekatherms.

Demand Charge @	<u>\$6.00</u>	per Dekatherm
Commodity Charge @	<u>\$ 8.0592</u>	per Dekatherm

- (b) **Billing Months of May-October:**

Demand Charge @	<u>None</u>	
Commodity Charge @	<u>\$ 8.0592</u>	per Dekatherm

## MINIMUM CHARGE

The monthly minimum charge shall be the demand charges as determined above.

## ADJUSTMENT FOR RECOVERY OF GAS COSTS

The commodity charges above include gas costs of \$6.4815 per dekatherm. These charges are subject to adjustment by order of the Public Service Commission of South Carolina.

## DELIVERED GAS QUANTITY

When separate metering is not feasible, the Company shall assume for billing purposes, unless otherwise agreed to, that such metered volumes reflect deliveries under this rate schedule prior to gas received under any other rate schedule.

The quantity of transportation gas received into the Company's system for the customer's account to be delivered to the customer by the Company shall be reduced by 3% in measurement for line loss and unaccounted for gas.

Effective For Bills Rendered On and After the 1st Billing Cycle of November 2020

DOMINION ENERGY SOUTH CAROLINA, INC.

GAS

RATE 35

TRANSPORTATION AND STANDBY SERVICE

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**DELIVERED GAS QUANTITY**

The volume of gas received on a daily basis for customer's account may not equal the volume, less shrinkage, delivered to the customer. The result will be deemed an imbalance. Customer's account will be reviewed at the end of each month, or on termination of Transportation Service or curtailment or discontinuance thereof. If the imbalance is such that the customer has received more gas than was delivered to the Company during the period under review, customer shall be billed for such as standby service. If the imbalance is such that the customer has received less gas than was delivered to the Company, the Company may exercise one of two options, in its sole discretion. The Company may: (1) deliver the excess gas to the customer, over the next calendar month succeeding the review, at such times as the Company shall determine in its sole discretion; or (2) buy excess gas at Company's lowest delivered purchase price in that month from any of Company's suppliers.

**LIABILITY**

The Company shall not be liable for curtailment of service under this rate schedule or loss of gas of the customer as a result of any steps taken to comply with any law, regulation, or order of any governmental agency with jurisdiction to regulate, allocate or control gas supplies or the rendition of service hereunder, and regardless of any defect in such law, regulation, or order.

Gas shall be and remain the property of the customer while being transported and delivered by the Company. The customer shall be responsible for maintaining all insurance it deems necessary to protect its property interest in such gas before, during, and after receipt by the Company.

The Company shall not be liable for any loss to the customer arising from or out of service under this rate schedule, including loss of gas in the possession of the Company or any other cause, except gross or willful negligence of the Company's own employees or agents. The Company reserves the right to commingle gas of the customer with other supplies.

**SALES AND FRANCHISE TAX**

To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state or local governmental body.

**PAYMENT TERMS**

All bills are net and payable when rendered.

**TERM OF CONTRACT**

The customer shall execute an Agreement of Service with the Company which shall specify the maximum daily volume of gas to be transported, the period of time that the Company will receive such gas, and all conditions under which delivery to the Company will be accepted and delivery to the customer will be made. The customer must provide the Company with all necessary documentation of ownership and authorization required by any regulatory body with jurisdiction.

**GENERAL TERMS AND CONDITIONS**

The Company's General Terms and Conditions are incorporated by reference and a part of this rate schedule.

**ANNUAL NOMINATION**

Customers must elect to receive a) Transportation Service only, b) Transportation Service with Standby Service, or c) Standby Service only for each applicable period. Such elections must be made to the Company in writing by October 15th of each year to be effective for each month during the period November 1st to October 31st following. New customers under this tariff shall elect volumes at the time their service contract becomes effective. If no prior election has been made then the customer will receive Standby Service only. If any customer fails to make a timely election, then the prior period election will carry over for the following period. All elections shall be binding for the duration of the November 1st to October 31st period and may not be revoked, suspended or modified by the Customer.

Effective For Bills Rendered On and After the 1st Billing Cycle of November 2020

**RIDER TO RATES 31, 32V, 32S, AND 33**

**SERVICE FOR AIR CONDITIONING**

(Page 1 of 2)

**AVAILABILITY**

**EFFECTIVE FOR BILLS RENDERED ON AND AFTER THE FIRST BILLING CYCLE OF NOVEMBER 2005 THIS SCHEDULE IS CLOSED AND NOT AVAILABLE TO ANY NEW APPLIANCE.**

This rider is available to those customers which have installed and are regularly operating a gas-fired central air cooling system or have installed and are regularly operating a gas-fired central combination air cooling and heating system. Service under this rider shall be available subject to the specifications below at customer's request and with Company certification of customer's installed gas-fired central air cooling system or gas-fired central combination air cooling and heating system. It is not available for resale service. At the company's discretion, service offered under this rider may be limited and applied only to those customers currently receiving service under this rider.

**INDUSTRIAL AND COMMERCIAL, RATES 31 and 33**

**METERING**

The volume of gas used for service under this rider will be determined by separate metering equipment installed by the Company. All costs associated with the separate metering are borne by the customer.

Available to those customers qualifying for service under General Service Rates 31 & 33.

**SPECIFICATION A - Customer with gas-fired cooling systems.**

**RATE PER MONTH  
(All Months)**

Basic Facilities Charge:	<u>\$20.52</u>
Commodity Charge:	
All therms @	<u>\$ 0.61290</u> per therm

**SPECIFICATION B - Customer with gas-fired Central combination air cooling and heating systems.**

**RATE PER MONTH  
(During the Billing Months of May through October)**

Basic Facilities Charge:	<u>\$20.52</u>
Commodity Charge:	
All therms @	<u>\$ 0.61290</u> per therm

**ADJUSTMENTS FOR RECOVERY OF GAS COSTS**

The commodity charges above include gas costs of \$0.51438 per therm and are subject to adjustment by order of the Public Service Commission of South Carolina.

**RESIDENTIAL RATES 32V & 32S**

Available only to residential customers qualifying for service under Firm Residential Service Rate 32V & 32S and having a gas-fired central air cooling system or gas-fired central combination air cooling and heating system using the Company's service in private residences. For apartments or multi-family structures having not more than two (2) dwelling units, gas service for a gas-fired central air cooling system or a gas-fired central combination air cooling and heating system for the entire building may be included in the account of one of the dwelling units. All gas service supplied to the second dwelling unit will be separately metered to comply with the provisions of Rate 32V & 32S.



**DOMINION ENERGY SOUTH CAROLINA, INC.**  
**WEATHER NORMALIZATION ADJUSTMENT**

**APPLICABILITY**

This Weather Normalization Adjustment (WNA) is applicable to and is a part of the Company's firm gas rate schedules 31, 32V, 32S, and 33. The commodity charges per therm for each customer account during the billing months of November through April will be increased or decreased in an amount to the nearest one-thousandth of a cent, as derived by the following formula:

$$WNA = \frac{WSL \times R}{ATH - BTH}$$

Where:  $WSL = \frac{ATH - BTH}{ADD} \times (NDD - ADD)$

**WNA** = Weather Normalization Adjustment factor for a particular account expressed in dollars per therm.

**WSL** = Weather Sensitive Load which is the difference in the amount of therms that would have been consumed by the customer during normal weather and the amount of therms actually consumed.

**R** = Approved rate less cost of gas for applicable rate schedule determined as follows:

<u>Rate 32V</u> R= \$0.49610	<u>Rate 32S</u> R= \$0.55610
<u>Rate 31</u> R= \$0.50520	<u>Rate 33</u> R= \$0.45520

**ATH** = Actual therms consumed by customer during current billing period.

**BTH** = Base load therms which is the average of the therms consumed by customer during the previous billing months of June, July and August. If BTH is greater than ATH, then BTH will equal to ATH. If base load therms cannot be determined, then base load therms will be as follows:

Rate 32V = 18 therms	Rate 32S = 4 therms
Rate 31 = 19 therms	Rate 33 = 739 therms

**NDD** = Normal heating degree days during customer's billing period authorized by the Commission.

**ADD** = Actual heating degree days during customer's billing period.

The appropriate revenue related tax factor is to be included in these calculations.

Effective For Bills Rendered On and After the 1st Billing Cycle of November 2020

**BEFORE**  
**THE PUBLIC SERVICE COMMISSION OF**  
**SOUTH CAROLINA**  
**DOCKET NO. 2020-6-G**

Dominion Energy South Carolina, Inc.'s )  
Filing of Quarterly Monitoring Report for )  
the Twelve-Month Period ending March 31, ) **SETTLEMENT AGREEMENT**  
2020, and Proposed Rate Adjustments )  
pursuant to the Natural Gas Rate )  
Stabilization Act. )  
\_\_\_\_\_ )

This Settlement Agreement is made by and between the South Carolina Office of Regulatory Staff ("ORS") and Dominion Energy South Carolina, Inc. ("DESC" or the "Company") (collectively referred to as the "Parties" or sometimes individually as a "Party").

WHEREAS, DESC, pursuant to S.C. Code Ann § 58-5-430 (2015) and § 58-5-440 (2015) of the Natural Gas Rate Stabilization Act ("RSA"), filed with the Public Service Commission of South Carolina ("Commission") its quarterly monitoring report for the twelve-month period ending March 31, 2020, and proposed adjustments to its rates and charges necessary to provide DESC the opportunity to earn the midpoint of the range of rate of return on common equity as established in the Company's most recent general rate case for natural gas service. *See* Docket No. 2005-113-G;

WHEREAS, the Report of ORS's examination of DESC's Monitoring Report for the Twelve-Month Period Ended March 31, 2020 pursuant to the RSA, was filed with the Commission on September 1, 2020;

WHEREAS, the Parties to this Settlement Agreement are the only parties of record in the above-captioned docket;

WHEREAS, the Parties have engaged in discussions to determine if a settlement of this proceeding would be in their best interest; and,

WHEREAS, following those discussions, the Parties have each determined that their interests, and the public interest, would be best served by settling the above-captioned case under the terms and conditions set forth below:

1. DESC will implement retail natural gas rates for the twelve-month period beginning with the first billing cycle of November 2020 calculated on the basis of a 9.9% Return on Equity (“ROE”) instead of the 10.25% ROE approved by Commission Order No. 2005-619.

2. The Parties agree that the following are the only attachments to this Settlement Agreement: Settlement Schedule 1 (Operating Experience – Total Gas); Settlement Schedule 2 (Explanations of Accounting and Pro Forma Adjustments – Gas Operations); and Settlement Schedule 3 (Weighted Cost of Capital).

3. The Parties agree that DESC will adopt the accounting adjustments of ORS as set forth in Settlement Schedule 2 as attached to this Settlement Agreement which includes a revision to Adjustment No. 13 entitled “Incentive Compensation Adjustment.”.

4. The Parties agree that based upon the accounting adjustments agreed upon by the Parties, a Debt/Equity Ratio of 46.86%/53.14%, and the agreement of DESC to implement retail natural gas rates based on a 9.9% ROE, the Company’s natural gas customers will realize an increase in current margin rates totaling \$6,326,995. This equates to a reduction of \$2,303,687 for the Company’s natural gas customers when compared to the rates calculated at the authorized 10.25% ROE and proposed for approval by the Company in its June 15, 2020 RSA application.

6. DESC shall file a retail natural gas general rate case proceeding with the Commission no later than April 1, 2023, and ORS shall not initiate a rule to show cause why a full

rate proceeding should not be initiated pursuant to S.C. Code Ann. § 58-5-470 while this Agreement is in effect, which shall expire October 31, 2021.

7. The Parties agree to cooperate in good faith with one another in recommending to the Commission that this Settlement Agreement be accepted and approved by the Commission as a fair, reasonable, and full resolution of the above-captioned proceeding. The Parties agree to use reasonable efforts to defend and support any Commission order issued approving this Settlement Agreement and the terms and conditions contained herein.

8. The Parties agree that signing this Settlement Agreement (a) will not constrain, inhibit, impair, or prejudice their arguments or positions held in future RSA proceedings, collateral proceedings, or other proceedings unrelated to the above-referenced docket; (b) will not constitute a precedent or evidence of acceptable practice in future proceedings; and (c) will not limit the relief, rates, recovery, or rates of return that any Party may seek or advocate in any future proceeding. The Parties agree that this Settlement Agreement is in the public interest when considered as a whole. If the Commission declines to approve this Settlement Agreement in its entirety, then any Party may withdraw from the Settlement Agreement without penalty or obligation.

9. The Parties represent that the terms of this Settlement Agreement are based upon full and accurate information known as of the date this Settlement Agreement is executed. If, after execution, either Party is made aware of information that conflicts, nullifies, or is otherwise materially different than that information upon which this Settlement Agreement is based, either Party may withdraw from the Settlement Agreement with written notice to the other Party.

10. This Settlement Agreement shall be interpreted according to South Carolina law.

11. Each Party acknowledges its consent and agreement to this Settlement Agreement by authorizing its counsel to affix his or her signature to this document where indicated below. Counsel's signature represents his or her representation that his or her client has authorized the execution of the agreement. Facsimile signatures and email signatures shall be as effective as original signatures to bind any Party. This document may be signed in counterparts, with the various signature pages combined with the body of the document constituting an original and provable copy of this Settlement Agreement.

**[PARTY SIGNATURES TO FOLLOW ON SEPARATE PAGES]**

**Representing the South Carolina Office of Regulatory Staff**

Andrew M. Bateman, Esquire

Jenny R. Pittman, Esquire

**South Carolina Office of Regulatory Staff**

140 Main Street, Suite 900

Columbia, South Carolina 29201

Tel.: (803) 737-0884

Fax: (803) 737-0895

Email: [abateman@ors.sc.gov](mailto:abateman@ors.sc.gov)

**Representing Dominion Energy South Carolina, Inc.**



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K. Chad Burgess, Esquire  
Matthew W. Gissendanner, Esquire  
**Dominion Energy Southeast Services, Inc.**  
220 Operation Way, Mail Code C222  
Cayce, South Carolina 29033  
Telephone: 803-217-8141 (KCB)  
803-217-5359 (MWG)  
Facsimile: 803-217-7810  
Email: chad.burgess@dominionenergy.com  
Email: matthew.gissendanner@dominionenergy.com

## Settlement Schedule I

**Dominion Energy South Carolina, Inc., Docket No. 2020-6-G**  
**Operating Experience - Total Gas**  
**For the Twelve-Month Period Ended March 31, 2020**

<u>Description</u>	<u>Per Regulatory Books</u>	<u>Accounting &amp; Pro Forma Adjustments</u>	<u>As Adjusted</u>	<u>Total Proposed Increase/ (Decrease)</u>	<u>Total After Proposed Increase/ (Decrease)</u>
<b><u>Operating Revenues</u></b>	\$ 393,112,545	\$ 6,913,143 (A)	\$ 400,025,688	\$ 6,326,995 (L)	\$ 406,352,683
<b><u>Operating Expenses:</u></b>					
O&M Expenses - Cost of Gas	197,160,941	0	197,160,941	0	197,160,941
O&M Expenses - Other	70,207,203	7,935 (B)	70,215,138	0	70,215,138
Dep. & Amort. Expenses	33,914,742	1,575,922 (C)	35,490,664	0	35,490,664
Taxes Other Than Income	30,062,082	4,248,893 (D)	34,310,975	38,254 (M)	34,349,229
State Income Taxes	784,425	1,250,494 (E)	2,034,919	314,437 (N)	2,349,356
Federal Income Taxes	4,661,693	570,948 (F)	5,232,641	1,254,604 (O)	6,487,245
<b><u>Total Operating Expenses</u></b>	<b>336,791,086</b>	<b>7,654,192</b>	<b>344,445,278</b>	<b>1,607,295</b>	<b>346,052,573</b>
<b><u>Total Operating Income</u></b>	<b>56,321,459</b>	<b>(741,049)</b>	<b>55,580,410</b>	<b>4,719,700</b>	<b>60,300,110</b>
Customer Growth	1,020,201	(13,640) (G)	1,006,561	85,474 (P)	1,092,035
Interest on Customer Deposits	(252,169)	0	(252,169)	0	(252,169)
<b><u>Net Income for Return</u></b>	<b>57,089,491</b>	<b>(754,689)</b>	<b>56,334,802</b>	<b>4,805,174</b>	<b>61,139,976</b>
<b><u>Rate Base:</u></b>					
Gross Plant in Service	1,374,714,749	(701,137) (H)	1,374,013,612	0	1,374,013,612
Reserve for Depreciation	503,065,533	1,496,284 (I)	504,561,817	0	504,561,817
Net Plant in Service	871,649,216	(2,197,421)	869,451,795	0	869,451,795
Construction Work in Process	33,051,550	0	33,051,550	0	33,051,550
Accum. Deferred Income Taxes	(98,773,363)	0	(98,773,363)	0	(98,773,363)
Environmental Costs	9,632,417	0	9,632,417	0	9,632,417
Pension Deferral	5,269,043	0	5,269,043	0	5,269,043
OPEB's	(18,604,822)	(28,113) (J)	(18,632,935)	0	(18,632,935)
Tax Deferrals	(78,037,443)	0	(78,037,443)	0	(78,037,443)
Injuries & Damages	(489,194)	0	(489,194)	0	(489,194)
Materials & Supplies	20,645,937	0	20,645,937	0	20,645,937
Total Working Capital	8,775,900	991 (K)	8,776,891	0	8,776,891
Prepayments	12,277,033	0	12,277,033	0	12,277,033
Average Tax Accruals	(14,980,605)	0	(14,980,605)	0	(14,980,605)
Customer Deposits	(10,499,976)	0	(10,499,976)	0	(10,499,976)
<b><u>Total Rate Base</u></b>	<b>739,915,693</b>	<b>(2,224,543)</b>	<b>737,691,150</b>	<b>0</b>	<b>737,691,150</b>
<b><u>Rate of Return</u></b>	<b>7.72%</b>		<b>7.64%</b>		<b>8.29%</b>
<b><u>Return on Equity</u></b>	<b>8.82%</b>		<b>8.67%</b>		<b>9.90%</b>

Dominion Energy South Carolina, Docket No. 2020-6-G  
Explanation of Accounting and Pro Forma Adjustments - Gas Operations  
For the Twelve-Month Period Ended March 31, 2020

Adj #	Description	Operating Revenues	O&M Expenses - Other	Depreciation & Amortization Expenses	Taxes Other Than Income	State Income Taxes @ 5.0%	Federal Income Taxes @ 21%	Customer Growth	Gross Plant in Service	Reserve for Depreciation	OPEB's	Total Working Capital
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Accounting &amp; Pro Forma Adjustments</b>												
1	Annualize Wages, Benefits, and Payroll Taxes Per Company Per Settlement		637,401 637,401		44,887 44,887	(34,114) (34,114)	(136,117) (136,117)					79,675 79,675
2	Remove Employee Clubs Per Company Per Settlement			(13,545) (13,545)		677 677	2,702 2,702		(553,981) (553,981)	(245,920) (245,920)		
3	Annualize Depreciation based on Proposed Rates Per Company Per Settlement			1,590,642 1,590,642		(79,532) (79,532)	(317,333) (317,333)			1,792,985 1,792,985		
4	Annualize Property Taxes Per Company Per Settlement				4,205,788 4,205,788	(210,289) (210,289)	(839,055) (839,055)					
5	Annualize Health Care Expenses Per Company Per Settlement		(761,389) (761,389)			38,069 38,069	151,897 151,897					(95,174) (95,174)
6	Annualize Other Post-Employee Benefits (OPEB) Per Company Per Settlement		37,459 37,459			(1,873) (1,873)	(7,473) (7,473)				(28,113) (28,113)	4,682 4,682
7	Annualize Insurance Expense Per Company Per Settlement		2,573 2,573			(129) (129)	(513) (513)					322 322
8	Tax Effect of Annualized Interest Per Company Per Settlement					3,272 3,370	13,056 13,447					
9	Annualize Current Pension Expense Per Company Per Settlement		(769,113) (769,113)			38,456 38,456	153,438 153,438					(96,139) (96,139)
10	WNA Deferral Adjustment Per Company Per Settlement	2,919,328 2,919,328			16,958 17,650	145,118 145,084	579,023 578,885					
11	Annualize RSA Revenue Increase (Order No. 2019-729) Per Company Per Settlement	1,692,201 1,692,201			9,830 10,231	84,119 84,099	335,633 335,553					

Dominion Energy South Carolina, Docket No. 2020-6-G  
Explanation of Accounting and Pro Forma Adjustments - Gas Operations  
For the Twelve-Month Period Ended March 31, 2020

Adj #	Description	Operating Revenues	O&M Expenses - Other	Depreciation & Amortization Expenses	Taxes Other Than Income	State Income Taxes @ 5.0%	Federal Income Taxes @ 21%	Customer Growth	Gross Plant in Service	Reserve for Depreciation	OPEB's	Total Working Capital
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
12	Remove Lighthouse Settlement Property Per Company Per Settlement			(3,130) (3,130)		156 156	624 624		(147,156) (147,156)	(50,781) (50,781)		
13	Incentive Compensation Adjustment Per Company Per Settlement		(186,205) (496,709)		(15,337) (32,604)	10,077 26,466	40,208 105,598					(23,276) (62,089)
14	Annualize Dominion Energy Services Allocations Per Company Per Settlement		1,429,767 1,361,123	1,955 1,955	(10,988) (10,993)	(71,037) (67,604)	(283,436) (269,741)					178,721 170,140
15	Normalize Effective Income Tax Rate Per Company Per Settlement					1,193,104 1,193,104	341,963 341,963					
16	Remove Timber Revenue Per Company Per Settlement	(144,874) (144,874)			(842) (811)	(7,202) (7,203)	(28,734) (28,741)					
17	Tax Reform Rate Rider Revenue Adjustment Per Company Per Settlement	2,273,292 2,273,292			13,206 13,744	113,004 112,977	450,887 450,780					
18	Annualize Fort Jackson Privatization Contract Revenue Per Company Per Settlement	173,196 173,196			1,006 1,047	8,610 8,607	34,352 34,344					
19	Manufactured Gas Plant Expense Adjustment Per Company Per Settlement		179,249 179,249			(8,962) (8,962)	(35,760) (35,760)					22,406 22,406
20	Remove Expenses for Ratemaking Per Company Per Settlement		(60,367) (182,659)		(46) (46)	3,021 9,135	12,052 36,450					(7,546) (22,832)
21	Customer Growth Per Company Per Settlement							(13,640)				
<b>Total Company Accounting &amp; Pro Forma Adjustments</b>		<b>6,913,143</b>	<b>509,375</b>	<b>1,575,922</b>	<b>4,264,462</b>	<b>1,224,545</b>	<b>467,414</b>	<b>-</b>	<b>(701,137)</b>	<b>1,496,284</b>	<b>(28,113)</b>	<b>63,671</b>
<b>Total Settlement Accounting &amp; Pro Forma Adjustments</b>		<b>6,913,143</b>	<b>7,935</b>	<b>1,575,922</b>	<b>4,248,893</b>	<b>1,250,494</b>	<b>570,948</b>	<b>(13,640)</b>	<b>(701,137)</b>	<b>1,496,284</b>	<b>(28,113)</b>	<b>991</b>

(A) (B) (C) (D) (E) (F) (G) (H) (I) (J) (K)

Dominion Energy South Carolina, Docket No. 2020-6-G  
Explanation of Accounting and Pro Forma Adjustments - Gas Operations  
For the Twelve-Month Period Ended March 31, 2020

Adj #	Description	Operating Revenues	O&M Expenses - Other	Depreciation & Amortization Expenses	Taxes Other Than Income	State Income Taxes @ 5.0%	Federal Income Taxes @ 21%	Customer Growth	Gross Plant in Service	Reserve for Depreciation	OPFB's	Total Working Capital
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Total Proposed Increase/(Decrease)</b>												
22	Adjust Revenue, Taxes & Customer Growth Per Company	8,630,682			50,136	429,027	1,711,819	116,645				
	Per Settlement	6,326,995			38,254	314,437	1,254,604	85,474				
	<b>Total Company Proposed Increase/(Decrease)</b>	<b>8,630,682</b>	<b>-</b>	<b>-</b>	<b>50,136</b>	<b>429,027</b>	<b>1,711,819</b>	<b>116,645</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total Settlement Proposed Increase/(Decrease)</b>	<b>6,326,995</b>	<b>-</b>	<b>-</b>	<b>38,254</b>	<b>314,437</b>	<b>1,254,604</b>	<b>85,474</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

(L)

(M)

(N)

(O)

(P)

Settlement Schedule 3

Dominion Energy South Carolina, Inc., Docket No. 2020-6-G  
 Weighted Cost of Capital  
 For the Twelve-Month Period Ended March 31, 2020

Description	Regulatory Per Books				As Adjusted				After Proposed Increase/(Decrease)					
	Capital Structure	Ratio	Rate Base	Income For Return	Embedded Cost/Return	Overall Cost/Return	Rate Base	Income For Return	Embedded Cost/Return	Overall Cost/Return	Rate Base	Income For Return	Embedded Cost/Return	Overall Cost/Return
Long-Term Debt	\$ 3,355,787,000	46.86%	346,724,494	\$ 22,398,402	6.46%	3.03%	345,682,073	\$ 22,331,062	6.46%	3.03%	345,682,073	\$ 22,331,062	6.46%	3.03%
Preferred Stock	100,000													
Common Equity	3,806,056,154	53.14%	393,191,199	34,691,089	8.82%	4.69%	392,009,077	34,003,740	8.67%	4.60%	392,009,077	38,808,914	9.90%	5.25%
Totals	\$ 7,161,943,154	100.00%	739,915,693	57,089,491		7.72%	737,691,150	56,334,802		7.63%	737,691,150	61,139,976		8.28%