

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. E-22, SUB 473
DOCKET NO. E-22, SUB 474

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of
Application by Virginia Electric and Power)
Company, d/b/a Dominion North Carolina)
Power, for Approval of Demand-Side)
Management and Energy Efficiency Cost) NOTICE TO
Recovery Rider Pursuant to G.S. 62-133.9) CUSTOMERS
and Commission Rule R8-69) OF CHANGE
) IN RATES
In the Matter of)
Application of Dominion North Carolina)
Power for Authority to Adjust its Electric)
Rates Pursuant to G.S. 62-133.2 and)
Commission Rule R8-55)

NOTICE IS HEREBY GIVEN that the North Carolina Utilities Commission has authorized Virginia Electric and Power Company, d/b/a in North Carolina as Dominion North Carolina Power, to increase its rates and charges paid by customers in North Carolina. The Commission-authorized rate increases will recover changes in Dominion North Carolina Power's demand-side management and energy efficiency program costs and utility incentives, as well as in its fuel costs. These rate increases will become effective for usage on and after January 1, 2012. The Commission's Orders were issued on December 13, 2011, in Docket No. E-22, Sub 473, and on December 13, 2011, in Docket No. E-22, Sub 474.

Demand-Side Management and Energy Efficiency Related Rate Increase

The Commission approved a \$754,581 increase in Dominion North Carolina Power's annual demand-side management and energy efficiency program rates and charges. The rate increase was approved by the Commission after review of Dominion North Carolina Power's projected demand-side management and energy efficiency program expenses and utility incentives for the calendar year 2012. These projected amounts include changes expected to be experienced by Dominion North Carolina Power with respect to its reasonable costs of and utility incentives related to implementing its demand-side management and energy efficiency programs. The rate increase is the result of the Commission's approval of a Stipulation and Agreement and Addendum to the Stipulation among the parties to this proceeding. The change in the approved demand-side management and energy efficiency programs charge for a residential customer using 1,000 kWh per month will result in a monthly increase of approximately \$0.33 for usage during calendar year 2012.

Fuel-Related Rate Increase

The Commission approved a \$36,121,985 increase in Dominion North Carolina Power's annual fuel rates and charges. The rate increase was approved by the Commission after review of Dominion North Carolina Power's fuel expenses during the 12-month period ended June 30, 2011, and represents changes experienced by Dominion North Carolina Power with respect to its reasonable costs of fuel and the fuel component of purchased power. The change in the approved fuel charge will result in a monthly increase of approximately \$8.78 for a residential customer using 1,000 kWh per month during calendar year 2012.

Summary of Rate Increases

Both of these rate changes will become effective for usage on and after January 1, 2012. The total monthly impact of both rate changes for a residential customer using 1,000 kWh per month is an increase of \$9.11, which is a 9.62% increase.

ISSUED BY ORDER OF THE COMMISSION.

This the 13th day of December, 2011.

NORTH CAROLINA UTILITIES COMMISSION

Gail L. Mount, Deputy Clerk