

## DOCKET NO. E-100, SUB 141

## BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of

Smart Grid Technology Plans )	PUBLIC STAFF REPLY COMMENTS
Pursuant to Commission Rule )	
R8-60.1(c) )	

NOW COMES THE PUBLIC STAFF – North Carolina Utilities Commission, by and through its Executive Director, Christopher J. Ayers, and respectfully submits the following comments in reply to the December 1, 2015, comments of Duke Energy Carolinas, LLC (DEC), on its advanced metering infrastructure (AMI) customer opt-out requests.

Summary of DEC's Comments

In its comments, DEC described its current AMI installation process, including its outreach to customers prior to scheduled installation encouraging them to discuss any questions or concerns with a specialist. Following this initial outreach, customers with unresolved concerns may be placed on a bypass list and their meters are not changed at that time. DEC indicated that customers who have had their meter changed and continue to have unresolved concerns regarding their metering hardware have the following options:

(1) The customer can relocate the meter base away from the house to another point on their property at their expense. (2) Alternatively, DEC offers a land-line meter option under the Remote Meter Reading and Usage Data Service tariff which provides for a monthly charge. (3) Finally, if a customer still does not want an AMI metering solution and refuses the options provided, the Company has recently (since mid-September 2015) offered an option where the customer can have the meter changed back to an advanced meter reading ("AMR" or drive-by) meter, if the customer agrees to pay a one-time service call charge of \$50 for the meter change. (DEC Comments at pp.2-3)

DEC stated that it is currently able either to bypass customers or to replace an AMI meter with an AMR meter upon customer request because, to date, AMI deployments are spread over the service area and do not significantly modify the drive-by meter reading routes. DEC further noted that it plans to evaluate the incremental costs necessary to offer, implement, and maintain an AMI opt-out program to provide customers with the option of either a noncommunicating meter or an AMR meter in lieu of an AMI meter.

Finally, DEC stated that as the meter deployments and AMI saturation increase, the Company will continue to modify and reduce the current AMR meter reading routes, and therefore will need to make a long-term AMI opt-out solution available. DEC indicated that it would consider any reply comments filed in this docket in its analysis and plans to file an AMI opt-out tariff with the Commission by the end of June 2016.

#### Public Staff Reply

As noted by DEC, the Public Staff and DEC have had discussions regarding customer opt-out policies since 2013, and most recently met in September 2015. The Public Staff recognizes that AMI, or “smart” meters, offer a number of benefits to consumers, including better information on their energy consumption, potentially helping them to reduce energy consumption and save money. In addition, the meters provide more detailed, real-time information to the utilities, which may increase reliability, reduce costs associated with meter reading, and provide other benefits. Nonetheless, the Public Staff recognizes that some consumers are concerned over potential health impacts, privacy issues, and data accuracy. As

such, the Public Staff supports the concept of an AMI opt-out option. However, the Public Staff agrees with DEC that any customer choosing to exercise such an option should be responsible for the reasonable incremental costs that a utility incurs as a result.

Following the filing of DEC's comments, the Public Staff submitted data requests to DEC regarding the current level of AMI deployment, the information provided to customers at the time of a planned meter change, and the basis for the proposed \$50 fee to be charged to customers who request removal of an AMI meter after its installation.

DEC indicated that it has deployed AMI meters to approximately 19 percent of its customer base, a relatively high level of saturation that reinforces the need for further discussions on AMI deployment and opt-out policies. DEC indicated that the customer outreach materials currently used during the AMI deployments do not currently mention the bypass or opt-out option because there is no approved AMI opt-out tariff. DEC noted that customers who call in with questions or concerns regarding the AMI meter change are provided with the options currently available. The customer outreach materials provide a link to the Company's website where they can find more information about the AMI deployment and grid modernization efforts, and also provides a phone number for customers to call if they have questions or concerns about AMI deployment. The Public Staff also recommends that at the time DEC files its opt-out tariff, it also file updated copies of the customer outreach materials it plans to utilize as it continues its deployment of AMI meters throughout its service territory.

With regard to the \$50 fee currently being charged to customers who request removal of a smart meter after its installation, DEC indicated in its data response that the fee is charged pursuant to Paragraph 4 of Leaf D of its service regulations and that the fee was based on “a conservative average of the costs using the loaded hourly rate for a round trip to the customer premise to change out the meter.” The Public Staff agrees that this charge under Leaf D is reasonable at this time, but recommends that DEC further evaluate this fee as part of the opt-out tariff that it plans to file in June 2016. The Public Staff further recommends that DEC include a specific meter opt-out fee in its proposal, and that the opt-out policy and associated fee be incorporated into the Company’s service regulations.

#### Consumer Statements of Position Received

Since the filing of DEC’s comments on December 1<sup>st</sup>, the Public Staff has received numerous emails and phone calls regarding the Company’s AMI opt-out policies. In addition, as of today’s date, the Commission and Public Staff have also received 46 statements of position from interested parties, including customers of DEC as well as interested parties nationally and internationally. These statements address concerns over the health effects of radio-frequency exposure, customer privacy, customer choice, as well as questions about the fairness of an opt-out tariff.

The Public Staff recommends that DEC give full consider to these statements as it develops and prepares its proposed AMI opt-out tariff for filing later this year. The Public Staff will also consider these statements in any

recommendations it makes as part of its investigation and review of the opt-out tariff.

Respectfully submitted this the 22<sup>nd</sup> day of January, 2016.

PUBLIC STAFF  
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#### CERTIFICATE OF SERVICE

I certify that I have served a copy of the foregoing PUBLIC STAFF REPLY COMMENTS on all parties of record in accordance with Commission Rule R1-39, by United States mail, postage prepaid, first class; by hand delivery; or by means of facsimile or electronic delivery upon agreement of the receiving party.

This the 22<sup>nd</sup> day of January, 2016.

Electronically submitted  
s/ Tim R. Dodge